SENATE—*Friday, June 7, 1996*

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Almighty God, Sovereign of this Nation and gracious Father of our lives, thank You for enabling unity in diversity and oneness in spite of our differences. You hold us together when otherwise ideas and policies and resolutions would divide us. Make us sensitive to one another, especially when a vote makes conspicuous our differences. Help us to reach out to each other to affirm that we are one in our calling to lead our Nation. May we neither savor our victories nor nurse our disappointments, but press on.

So we fall on the knees of our hearts seeking Your blessings for our work this day. To know You is our greatest privilege and to grow in our knowledge of Your will is our most urgent need. Lord, our strength is insufficient; bless us with Your wisdom. Our vision is incomplete; bless us with Your hope. In Your holy name. Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The able majority leader, Senator DOLE from Kansas, is recognized.

SCHEDULE

Mr. DOLE. I thank the President pro tempore.

Mr. President, today, there will be a period for morning business for 2 hours, and rollcall votes could occur today on executive or legislative items cleared for action. We would like to work out some of the nominees, at least clear some of the nominees on the Executive Calendar, including some of the judicial nominees. It has been suggested if that is not possible, we just start down the list one at a time. I am not certain that will happen today, but we will continue to work on it.

On Monday, it is hoped the Senate can begin debate on the budget resolution conference report. There is a statutory 10-hour time limit. Hopefully, we can resolve that today and work out some agreement. I am not certain how much time it will take. It should not take 10 hours on a conference report.

In any event, we will be in touch with our colleagues later sometime this morning. We are still working on health care. My view is we are very close. I am not certain what the White House view is, but I believe we have made a lot of progress. There has been a lot of give and take. Whether or not that will be complete by next Tuesday is problematical, but we are making progress and, hopefully, there can be some resolution. At least when it is taken up, it may have broad support. That may or may not be possible, but the Republicans will meet at 9:45 in my office, Republican conferees from the House and Senate.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. CRAIG). The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. INHOFE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

BALANCING THE BUDGET

Mr. INHOFE. Mr. President, I rise today to express regret over what happened yesterday. Yesterday was a very significant day in America. We had an opportunity yesterday to pass a balanced budget amendment to the Constitution. Of course, it did not work out. We fell short by a couple votes.

It reminds me a little bit of last year when we fell short by one vote—one vote—one vote away from forcing fiscal discipline into two bodies that have expressed and shown and demonstrated no fiscal discipline over the past 40 years.

This is not anything that is new. I can remember, Mr. President, back in the middle 1970's when there was an ad by, I think, the National Taxpayers Union. They had a nationwide ad. They were trying to express to the people of America how serious the debt was, and tried to give us an understanding as to what these dollars really mean. Because once you start getting past $1 million or $1 billion or $1 trillion, nobody really has any concept of what it is. Our debt right now, when you say $5 trillion, does not mean an awful lot.

So back in the middle 1970's I can remember this very effective ad that they had. What they did at that time—the Empire State Building was a tall building—they took $100 bills, and they stacked them up until they finally reached the height of the Empire State Building. They said, "That is $400 billion. That is our national debt." At that time we looked at it and said, "You know, we can't go much beyond this. You start talking about the interest that is going to be necessary to pay on the national debt. Can we really afford it?" Because when you make interest payments, you have to use revenue dollars that would otherwise go to defending our Nation or to paying for education and the environment and the other needs, structural needs that this Nation has in such abundance.

So at that time, back in the 1970's, I remember so well someone who was in this body for quite a lengthy period of time. His name was Carl Curtis. He was a U.S. Senator from Nebraska. He was just a delightful gentleman.

He came up with an idea. He came out to Oklahoma. I was in the Oklahoma State Senate at the time. He said, "You know, we can't seem to get across to the people in the U.S. Senate how much the people at home want us to exercise fiscal discipline, how much they want us to balance the budget and quit borrowing more and more from future generations."

So to demonstrate this—this was his idea, not mine; Carl Curtis—he said, "We're going to go out and get three-fourths of the States to pass resolutions that would preratify an amendment to the Constitution." As we all know, we have to get two-thirds of the vote of the House and the Senate; then it has to be ratified by three-fourths of the States. "So if we can show that there are three-fourths of the States who want to have a balanced budget amendment to the Constitution, then that will give us the influence that we need to get it passed in the U.S. Senate." It sounded like a good idea.

So he came out to Oklahoma. I remember so well we went around to—I remember one time at the Kay County Fair we made a presentation of this. These are just good, earthly people who are paying taxes and working for a living. And they all thought it was a great idea.

So I introduced in the State Senate of Oklahoma back in 1974 a resolution to preratify the constitutional amendment. I remember that Anthony Kerrigan at that time—I think he is retired now, still resides in Washington—he wrote in a syndicated column that was all over the Nation, and the name of it was, "A Voice in the Wilderness." He said, "Way out in Oklahoma is a State senator who has successfully passed the first resolution to preratify an amendment to the Constitution to balance the budget." That was over 20 years ago. This is not anything that is new.

In fact, it goes back even further than that. Thomas Jefferson was the one who came back from France and said if he had been here during that

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

constructive process of the Constitution, he would have had something that would prohibit us from borrowing money, except in times of war. This is something that is not anything new.

We heard in the discussion, in the debate in the last few days, over and over again by those who are fighting a balanced budget—not balanced budget amendment, but balanced budget. It is interesting that you never hear anyone on the stump campaigning for office, "We want to spend more money. We do not want a balanced budget amendment to the Constitution. We want to fiscally discipline ourselves. And it is our job to do it." Yet, when they come here there is so much influence here not to balance the budget, not to have fiscal discipline, they do not do it.

We have heard these people over and over again on the floor saying, "We do not need a constitutional amendment because we were elected to do that." I say we have demonstrated clearly in both bodies of this Congress that we are incapable of doing it without something to force us to do what we ought to do voluntarily. We have demonstrated that so clearly that this is the only vehicle out there that I can think of that would do it.

The argument has been made on this floor that the Governors and the States are lowering taxes and are boasting about the fact they are lowering taxes, and if we pass a balanced budget amendment to the Constitution, we will have to have dramatic, draconian increases in State taxes to pay for the services that otherwise they would get from the Federal Government. That just is not true.

There is a mentality, I know, in the White House that the only way to raise revenue is to raise taxes. I can remember a very articulate President of the United States who was a Democrat, John Kennedy, who said back in his administration, "We have to raise more revenue; to do this, we are going to lower taxes to stimulate the economy." A lot of people do not realize, for each 1 percent of economic growth, that produces new revenues of $26 billion. If he can do this, this will allow him to raise more revenues. That is exactly what happened in the Kennedy administration. They reduced taxes and that increased revenue.

Along in 1980 when President Reagan was elected, President Reagan said, "We have to have more revenues and we have to use those revenues to reduce the deficit and reduce the debt and ultimately do something about debt, so we are going to cut taxes, marginal rates," and we went through, in the 1980's, the largest tax cuts in any 10-year-period in the history of America.

The results are there. The total revenues that were generated to operate Government in 1980 were $517 billion. Then in 1990, the total revenues were $1.30 trillion—they doubled, exactly—between 1980 and 1990. That was a period of time when we had the most dramatic cuts in our marginal rates. As far as the income tax is concerned, the total receipts in 1980 were $244 billion, and in 1990 $466 billion, almost doubling, at a time we reduced our rates.

You might say, "Well, wait a minute. We hear on the floor that during the Reagan years we had such dramatic increases in our deficit." Yes, we did, but that was not as a result of the fact that we were reducing taxes; that was the increase in revenues, the problem that we were spending more money here in the Senate and in the House. So while revenues went up, our spending went up exceeding that increase, and the deficits continue.

Now, in hindsight, I say maybe the President at that time, President Reagan, should have vetoed a lot of those bills he did not veto. That is what the current President is getting by with now in vetoing all the things he ran on when he ran for President of the United States and what most of the Republicans who took over control of the U.S. Senate ran on in 1994.

Speaking of President Reagan, I remember one of the greatest speeches of all time was called "A Rendezvous With Destiny," way back in the middle 1960's. The speech that Ronald Reagan made, I remember a sentence he said. "There is nothing closer to immortality on the face of this Earth than a Government agency once formed." That certainly has proven to be true. Once you form an agency to respond to a problem that is there, and the problem goes away, then the agency continues, and their political muscle expands. So there are problems that are out there that can be dealt with, but they cannot be dealt with unless we force ourselves to do something to discipline ourselves in this manner.

There is one other problem that I think adds to this. A study was made—and I cannot document it, but I do have the document back in my office—over 98 percent of the people who come to visit their Senator or their House of Representatives Member are coming because they want to increase funding for some program. It might be for a problem. They might be a contractor; it might be a program that they feel in their hearts needs to be expanded.

What do we hear, if we are here in Washington? We hear from the people who come in and say, "We want to spend more money." That is one of the reasons I have been an advocate for term limitation for so many years.

I made it a practice to commute. I still live back in my State of Oklahoma and I come up here during the time we work and we vote and we have committee meetings, and I go back so I am there virtually every weekend. When you do this, you talk to the people who are back home, that I sometimes get chastised for referring to as "real people," implying there are not real people here. Really, those who come in and want something out of Government generally are people who are here for some particular cause—their cause or for a personal gain.

The fact remains that over 98 percent of the people that come in are here for increased funding. That is something I meant to mention when they use the arguments that we will have to have draconian cuts in Government if we have a balanced budget amendment to the Constitution. That is not true.

A study made by the Heritage Foundation—and I got it renewed only this week to see, is it true today—if we were to take all Government programs and not cut one Government program, entitlement programs and all the rest of them, and increase these programs with growth caps of 1½ percent a year, we could balance the budget in 7 years and have the tax cuts that the Republicans want, the $500 tax credit per child, the tax decreases in capital gains in order to stimulate the economy. We could make the trust funds well again; we could secure Social Security, Medicare—all of that, without cutting one program.

Realistically, that will not happen. We understand that, Mr. President, because when it gets down to it, there are programs that need to be cut and some that need to be increased by more than 1½ percent. If we had a resolution, if it could be structured, I have thought we might be smarter just to let every program grow by that percentage.

When I have townhall meetings—and I have more than most because I am back in my State more than most Members are—and you have people coming in who are senior citizens, and you tell them, "What if we were to put a cap on your Social Security of 1½ percent, if you knew that all other Government had to do the same thing?" They all nod with approval and say "yes." Their concern is they would have to take the hit and the veterans would not, or somebody else would not. I think all the American people want is to be treated equally. I guess the point I am trying to make here is, you do not have to have draconian cuts to have a balanced budget.

Now, I do not want to use up too much time because there are others who want to speak during this period of time reserved by the distinguished Senator from Georgia, Senator COVERDELL, but I do want to address something. I was quite disturbed yesterday when the very distinguished senior Senator from Kentucky came to the floor. I was chastised for some of the comments that I made. One of the statements I made that offended him was that he implied I was saying that people say one thing at home and say something else in Washington.

Let me read exactly what I said so that there can be no misunderstanding.

I said this after I had read some quotes of various Senators who were strong supporters of a balanced budget amendment in 1994 and turned around and spoke against it and voted against it this time.

What I said was: "So I think it is something that we need to look at, and I'm hoping that those individuals, as the distinguished Senator from Iowa, Mr. GRASSLEY said, a lot of the Senators who are voting for this because they want to go the party line instead of voting with the people at home, better really stop and think about it before noon tomorrow," the day before yesterday, "because the people at home are not going to forget," and I know that is true. People at home are not going to forget because the vast majority of the Democrats and the Republicans in America—approximately 80 percent—want a balanced budget amendment to the Constitution.

So I did go back and read some quotes from individuals. One was from the Senator from North Dakota, Senator DORGAN, who said, "This constitutional amendment, no matter what one thinks of it, will add the pressure that we reconcile what we spend with what we raise." This was March 1, 1994. This time he was one of the most articulate Senators that was opposing the balanced budget amendment.

Then the distinguished Senator from South Carolina, Senator HOLLINGS, said, "So let us debate, pass, and ratify the balanced budget amendment by writing a balanced budget amendment into the basic law of the land. We will compel Washington to do its job." I agree. That is what he said on March 1, 1994. This time he was one of the leaders in opposition to the balanced budget amendment.

Then, of course, the one I have a great deal of respect for, the distinguished minority leader, Senator DASCHLE from South Dakota, back in February 1994, said, "Too much is at stake for us to settle for this tax. A balanced budget amendment will provide the fiscal discipline our Nation must have in order to meet the needs of the present generation without bankrupting those of the future." That was Senator DASCHLE in 1994. Of course, he led the opposition this time.

So I hope that the distinguished Senator from Kentucky will understand the context in which I was saying this. I do not understand how somebody could be such a strong supporter in 1994 and then oppose the same thing in 1996.

I have the two resolutions here. They are worded exactly the same—not approximately the same, but exactly the same. Back in 1994 this was Senate Joint Resolution 41. All of these Senators were talking about how great this was and how we had to do it—I was applauding them for their courage—only to turn around and oppose this in 1996. What happened between 1994 and 1996? Nothing, except the debt has grown to over $5 trillion.

So when the Senator from Kentucky came in—I had not quoted him, but I will now. He said this back on March 1, 1994. He said, "I support the efforts of my friend and colleague from Illinois"—talking about Senator SIMON, who is a very courageous guy, and one I complimented probably more than I have ever complimented anyone else on the floor yesterday. Senator FORD said, "I support the efforts of my friend and colleague from Illinois to take on this persistent fiscal dishonesty. I hear so much about if 40-some-odd Governors can operate a balanced budget, why can't the Federal Government? I operated under it"—this is Senator FORD, who was a Governor of Kentucky—"and it worked. I think implementation of this amendment will work. I think we can make it work. I do not understand why it takes a brain surgeon to understand how you operate a budget the way the States do. This is an opportunity to pass a balanced budget amendment that will work and will give us a financially sound future, not only for ourselves but for our children and our grandchildren."

I was criticized yesterday because I said those individuals who opposed the balanced budget amendment—I am talking about those who voted against the balanced budget amendment—are people who are liberal in their philosophy, and there is nothing wrong with that. That is the "L" word, and there is nothing wrong with it. Either you are liberal or conservative. It just means how much involvement we want the Federal Government to have in our lives. If we want more Government involvement, we have to raise taxes and pay more.

Fortunately, for the people of America, they can get out of this environment that we are in right now and not just listen to what we say, but they can look and see how we perform. We are rated in every area by different rating organizations. If people are concerned about how we are on social issues, family issues, they can look at the Christian Coalition rating and see how we have voted. If they want to know how we are on regulations and business issues, they can look at the National Federation of Independent Business. They have a rating system, and they will tell you. You do not have to listen to us. They will tell you who is for less Government involvement in our lives.

We are the most overregulated nation in the world. That is why we are not globally competitive. Look and see how we are rated. If you want to know who the conservatives are, do not listen to us. I have yet to hear anybody go out on a stump and say, "Vote for me, I want to spend more money." They do not say that. So do not listen to us. Look and see how we are rated.

The National Taxpayers Union uses ratings of A, B, C, D, or F. Those are the five ratings. Of those individuals—the 33 Democrats who voted last year against the balanced budget amendment—I am sure the same thing is true this year, but we have not had enough time to get the ratings—they were rated either a "D" or an "F" by the National Taxpayers Union. So they are liberals. I do not know why they are ashamed of being a liberal. I have yet to hear a conservative being embarrassed about being a conservative. But many liberals try to say, "I am moderate," or "conservative."

Here is the last thing I was personally chastised for. Here is a photo of two little children, which I did not use last night. I used a photo of my newest grandson. These are my two other grandchildren. They are the same age and are children of two different sons. This is Maggie Inhofe, and this is Glade Inhofe. What I was getting across yesterday was that the balanced budget issue, and the deficits in this country, is not a fiscal issue; it is a moral issue. These are the faces of innocence, who did not do anything wrong. This is little Jase, who was born January 9. The day he was born, at the moment he took his first breath, he inherited a $19,000 personal debt as his share of the national debt. He did not do anything wrong. These kids were born 3 years ago.

So I think we need to look at the whole subject of a balanced budget amendment as the only way we can discipline ourselves. We demonstrated that very clearly. Let us not think about what it is going to do to the people up here today. It is not going to affect us. It is the next generation that is going to have to pay for it.

I suggest to you, Mr. President, that we did a great disservice yesterday to all of Americans, to future generations, when we passed up an opportunity to pass a balanced budget amendment to the Constitution. We are going to do it; it is just a matter of time. We may have to do it in the next legislature, or when there is another President in the White House. But we are going to do it, so that these guys right here are not going to have to pay for our extravagances. It is a moral issue.

I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. COVERDELL. Mr. President, I understand you will be relieved as the Presiding Officer in a moment. At that time, I will yield you up to 10 minutes to speak on this question.

Parliamentary inquiry: It is my understanding that, under a unanimous consent, I will be controlling an hour from approximately 10 until 11 o'clock, is that correct?

The PRESIDING OFFICER. The Senator was to control the first hour of morning business.

Mr. COVERDELL. Mr. President, I ask unanimous consent that I be allowed to control the time from now until 11 o'clock.

The PRESIDING OFFICER (Mr. INHOFE). Without objection, it is so ordered.

BALANCED BUDGET CONSTITUTIONAL AMENDMENT

Mr. COVERDELL. Mr. President, in the last several days, as we have debated this very historic constitutional amendment, Thomas Jefferson has been quoted over and over because of his early recognition that there needed to be a constitutional provision for balancing the budget.

I want to read one other quote that was sent to me by a Georgian, and then I will yield to the Senator from Idaho. This is what Thomas Jefferson said:

> Men, by their constitutions, are naturally divided into two parties: One, those who fear and distrust the people, and wish to draw all powers from them into the hands of the higher classes; two, those who identify themselves with the people, have confidence in them, cherish and consider them as the most honest and stable.

This debate was on this point because we were, through our efforts to pass the balanced budget amendment, endeavoring to put to the people the question in the several States which would have had to ratify. Those opposed it, in my judgment, were fearful of turning the question over to the people of the country.

How unfortunate, as you have just alluded, Mr. President, the Senator from Oklahoma.

Mr. President, I yield to the Senator from Idaho up to 10 minutes.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, let me thank my colleague from Georgia for taking out this period of morning business to discuss and to continue the important debate that occurred on the floor of the Senate yesterday in relation to a balanced budget amendment to our Constitution.

The Senator from Oklahoma, who is now presiding, related his experience in the beginning of this movement that started in the mid 1970's when Senators and Members of the Congress recognized that there was growing in this city an insidious appetite that was spawned by interest groups and citizens—that somehow the way you solved nearly all social problems in this country was to put government money at it, and that it was justifiable in doing so to deficit spending. We began to hear the clock of debt tick at that time—hundreds of thousands of dollars, and finally billions of dollars, as the Senator from Oklahoma spoke of.

When I arrived here in the early 1980's we were still in the hundreds of billions of dollars, just breaking into the first trillion. It was in that period of time, in 1982, that the former Congressman from New York, Barber Conable, who had picked up the idea that had been started here by Senator Curtis, was retiring. He had heard me speak on the floor of the House. He knew I had done much of what the Senator from Oklahoma had done—had passed a resolution in my State of Idaho asking for a balanced budget amendment and that the Senate and the Congress of the United States should issue that report so that the States, under article V of the Constitution, could go through the ratifying process.

Barber Conable came to me, and he said, "Congressman CRAIG, I am leaving. Why don't you take this issue and work with it? Make it a national issue. Work with our other colleagues because some day the American people will recognize what is going on in Washington, and they will insist that it be stopped."

That was 1982. Myself and CHARLIE STENHOLM, the Democrat Congressman from Texas, began to do exactly what the Senator from Oklahoma started in the mid 1970's in his State legislature. We began a national movement traveling to all of the States of the Nation, to those State legislatures, asking them to petition the Congress of the United States, because without that, without that extraordinary pressure from across the country, we did not believe the Congress would bow to the wishes of the people because the pressure from the interest groups, the pressure from a growing Government, would simply cause them to continue to deficit spend.

That was a $1 trillion debt. That was 1982, and this is 1996. We now have a $5 trillion debt. Senator Curtis was right. Congressman Barber Conable was right. The National Taxpayers Union was right. Now the American people understand better than they have ever understood before that somehow this has to be stopped.

Throughout the 1970's and into the 1980's you could always poll the American people and say, "Should Government balance its budget?" And the answer by 65 to 75 to 80 percent was, "Yes, they should. We have to. We have to do it with our personal businesses and our personal home accounts, and the Government ought to do the same." But you could never get that high when you asked the question: "Should there be a constitutional amendment requiring it?" Because a lot of people did not think we ought to go the extraordinary route of using the organic act of our country to force our Government into compliance with the wishes of the people; that that was held for unique and special exceptions, and that our organic document of the Constitution should be rarely changed. We know that in the history of our country—the 208 years of history—that we have only changed that document 27 times.

But finally, in a poll just a few weeks ago, when the question was asked, "Should there be a constitutional amendment requiring a balanced budget?" all of a sudden that had skyrocketed to 83 percent of the American people. That is an all-time high. Not that the budget should be balanced—I think that is almost unanimous—but now that we should use the organic document of our country to force this issue. Because what the American public instinctively knows is that the growth, the phenomenal movement of a budget into deficit and into debt that now scores $5 trillion, and that this year we are going to deal with the 1997 budget with over $300 billion of interest; and that that interest will be more than we will spend on defense, or will be more than we will spend, within a few dollars, of Social Security; that somehow the American people are beginning to say, "Isn't it true that, if you continue to accumulate that debt, somehow one day almost all of the budget would be interest?" Well, no. I do not think that would occur. But significantly the largest segment of the budget would be interest.

That is the impact on Government, and that is the impact on taxpayers.

What is the impact on personal lives, and on the young people who are here helping us as pages in the U.S. Senate, when they get to be 35 and 45 years of age? Even this President, who does not agree with a balanced budget amendment, and until 1994 when he began to be a born-again moderate after having been a 1992–94 very liberal President with large tax increases and large spending programs, even said his government, his appointees, said these young people will be paying 75 to 80-plus percent of their gross income just to pay for government.

So you have to ask them: "Well, then what would you be able to do to own a home, to fund a college education of your child, to have the American dream that all of us expect for ourselves and our children? Is it possible that debt could eat it all away?" Yes, it is.

That is why the debate yesterday was so significant, and that is why the Senator from Oklahoma is absolutely right. The vote yesterday was, without question, one of the most significant votes that this Senate has taken. I honor Senator BOB DOLE for bringing it up again, forcing the political issue and causing the American people to see who is for a balanced budget amendment to our Constitution and who is against it.

It is very important that they understand the forces that work in Washington and the forces that resist the idea of fiscal responsibility with no real answer to how you deal with a $5 trillion debt and 300 billion dollars' worth of interest on debt and an ongoing deficit. We have offered that solution. We have offered it in the form of an amendment to cause it to happen on an annualized basis.

Last year, we put forth a budget that would bring us to balance. The fiscal responsibility that the American people have asked for is here. It is here in the majority party of the U.S. Senate which has brought about those kind of efforts and will continue to until it is the fact of the organic law of the land that we operate continually under a budget that is balanced or near balance. That has to be the goal of this Congress and for future Congresses and the responsibility of those who serve in the U.S. Senate. It is for our future; for our children and your grandchildren's future, Mr. President, that you showed us those marvelous pictures of this morning. If we fail to do that, we will no longer be a great people. We will no longer be a great people. We will no longer have a system of Government that is the envy of the world because it will be weak and anemic, and unable to provide or unable to cause the environment that creates the kind of human productivity that has historically been the mission and the great gift of this country. We will steal from all by destroying it with debt. We now have an opportunity to change that, and I hope that in the next Congress we bring that about and that we have a President who presides in the White House who will not openly fight us and resist us, but who will encourage and embrace the idea of a balanced budget amendment to our Constitution.

I thank my colleague from Georgia for acquiring this time to debate and to continue to discuss this critical issue.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. Mr. President, while I have you both here, I want to thank the Senator from Idaho and Senator from Oklahoma, who have been here a bit longer than I in Congress, for the extensive and committed and dedicated work each of them have committed, not only to a balanced budget amendment to the Constitution, but to disciplined financial management of the affairs of our Nation for all the years in which you have been here. Your States and America owe you a great debt.

Mr. President, these numbers get to be beyond what, I think, a lot of people can comprehend in their own home or business, but the fact that we have not had a balanced budget has had a massive impact on every family in America. I am going to talk about a Georgia family, a typical Georgia family, but it would not be any different in Oklahoma or Arizona or California. These are all going to be very similar pictures, no matter which State you look at.

This family earns, in Georgia, about $45,000 a year. They are a family of four, typically. For the most part, today, both parents work, which I will come to in a minute. We have been talking about 5 trillion dollars' worth of debt and an expanding, exploding Federal Government. Margaret Thatcher was in Atlanta not long ago and she said something to the effect: Just remember, when anybody says to you I am going to do something for you, remember that they have to first take something from you to do it.

Her statement could not be more true for this Georgia family. They make $45,000 a year, and the total Federal taxes on their income is about $9,511. The total State and local taxes are $5,234. The estimated cost of Federal regulations to the family, in other words, the price they have to pay when they buy a loaf of bread, to pay their share of all the regulatory apparatus that we have set up over the last 30 years, is $6,650. That is more than their annual car payment. That could be worth about two annual car payments. And then they have to pay, because of that $5 trillion debt we are carrying, that pushes interest rates up, so they have to pay $2,011 for their share of the higher interest rates.

When it is all said and done, half their income has been consumed by Government apparatus and Government programs. If Thomas Jefferson were here—he could never have perceived that our Government, the Government that those valiant Americans fought for and put in place, that Government would consume half the wages of bread winners. He is turning in his grave. And he warned us of this over and over and cautioned us, which is why he recognized that there should have been a statement in the Constitution that would have called for a balanced budget.

The fact that we have not had a balanced budget amendment in place, we have not forced Congress to have balanced budgets in place, means that every family in America has to pay for these unchecked and burgeoning governments. In fact, they work half the year for these governments now.

Imagine, the Fourth of July is not only Independence Day, it is the first day you get to keep your own check. Who would have ever thought that, that an American would work from January 1 to Independence Day? Independence Day is going to take on a new meaning. We need to have signs all across the country, "Today you get to keep your first dime."

We have depended throughout our history on that American family to get America up in the morning, get it to school, keep a roof over its head, educate it, keep its health and, yes, instill it with the spiritual belief in this country so that there would be a continuum of leadership.

This practice, the failure to have a balanced budget—we have had one balanced budget in the last 36 years. No wonder America is so anxious. She ought to be. This is dangerous. This has made it very difficult for that which we depend upon, the American family, to do what it is supposed to do. They cannot get it done right.

Yesterday I referred to an editorialist in the Maryland Constitution, Marilyn Geewax. She thinks what is wrong in the American family is that they are greedy, they have too many electric toasters. I can tell her, that is not what is wrong in America. What is wrong in America is there is not enough left in their checking account to save or to do the things that we ask them to do.

Mr. President, I see we have been joined by the distinguished Senator from Texas. In a moment or two, I am going to yield to her. But before I do, I wonder if I can put these two quotes up here.

There was a quote by Representative STARK, on the House side, that he made Wednesday, that makes it imminently clear why the other side, and the President—we have not talked enough about it. If it were not for the President, we would have passed the balanced budget amendment. It rests right at his feet. He did not want that balanced budget amendment to pass. He said so. And that is why these six Senators changed their votes; they did it in deference to their President. But read this quote:

> To fix the longer-term problem—

He is talking about the fact that also last week, in addition to talking about a balanced budget amendment, we were told Medicare is going broke faster than we thought. But he said:

> To fix the longer-term problem, Mr. Stark [of the House Ways and Means Subcommittee on Health. He is the ranking member] said, "Democrats probably would resort to either a Government takeover of the hospital and health-insurance payment system, or raising payroll taxes."

If we had a balanced budget amendment, you could a make a big "X" through that statement. They cannot afford to have a balanced budget amendment when they talk about the Government takeover of medicine and creating yet a new entitlement that would be larger than Social Security in 2 years.

Do you want to know why they do not want a balanced budget amendment? That is why. They cannot afford to have the discipline that a balanced budget amendment would have brought about. The family that is going to suffer is this average family, because they are the ones who are going to pay for that. They are already paying half their income. What do you think would happen if that situation came up?

Mr. President, I yield up to 15 minutes at this time to the distinguished Senator from Texas.

The PRESIDING OFFICER. The Senator from Texas.

Mrs. HUTCHISON. Mr. President, I thank the Senator from Georgia for taking this time to really talk in a little more detail about why we need the balanced budget amendment to the Constitution. What happened yesterday, and its policy ramifications, really needs to be discussed so that the American people see that just because we are trying in this Congress to go toward a balanced budget does not mean we do not need a balanced budget amendment.

In fact, I think when the American people have seen how very hard it is to balance the budget or to even have a 1-year budget that moves toward a balanced budget, and when they see how slow the progress has been and they see, even though we have tried to make the tough decisions—Medicare reform, Medicaid reform, welfare reform—these have been vetoed by the President and, therefore, we are still at ground zero. The American people see this.

So, for Heaven's sake, does that not make the argument that we need a balanced budget amendment, because if we can ever get the deficit off the plate, if we can look at the year 2002 toward that point where we will have a balanced budget, don't we need to say no future Congress will ever be able to get out of control again? Don't we need to put in what Thomas Jefferson worried about, that we should have put in the Constitution in the first place, and that is that no future Congress can put debt on generations in the future, that no Congress will be able to say we want to spend this money now, but we want our children to pay for it.

Thomas Jefferson worried about that. It was one of the two things he was concerned with that had not been addressed in the Constitution.

The other one is term limits, and I think that probably bears on the problem we are having right now. We have too many people who have been in Congress too long who have not been in the real world who have continued to put off the tough decisions. These are people who talk well. They are people who say, "Oh, we want a balanced budget; of course, we want a balanced budget. We'll make the tough decisions later," or "We will let somebody else make the tough decisions." That is what Congresses have been doing for 40 years, and it is what Presidents have been doing. That is why we are in this mess.

So, of course, we need a balanced budget amendment to the Constitution. It would not take 2 years for a balanced budget amendment to be ratified by the States; that is, if the people are consulted, because the people know. The people of America are not stupid. They know the difference between a balanced budget and stability and the future of their children and out-of-control spending, spend-now-pay-later policies that they have seen for so long out of Washington, DC.

The opponents of the amendment, as was pointed out by my colleague from Georgia, really use scare tactics. Let me go through a few of those. This is just a gimmick. Don't you think if this were a gimmick that Congress would have tried it before? I mean, 40 years of gimmicks, I think I have seen just about everything. I think they would have thought of this if it were a gimmick. They say this will tie the Government's hands. "What are you going to do if you have a war, if you need an emergency expenditure?"

There is a safety valve. You can pass an unbalanced budget with a three-fifths vote, and I think if we were in a crisis in this country, if we were needing to go to war and support our troops, I believe three-fifths of the duly elected representatives of the people of this country would be able to come to that conclusion. But I do not think three-fifths of the duly elected representatives of our country would go into a deficit situation for just another social program.

They say this will bring on another depression. You have heard that one. Bring on another depression? The money is going to be spent. People earn money, they send part of it to the Federal Government or they keep it.

Now, where is the recession here? The recession is not going to be caused because there is going to be less Government spending. If we have less Government spending, that means there is more money in people's pockets. It is their money, it is not ours. I just love these people. I think the Senator from Oklahoma, who is sitting in the chair, has heard the people on the floor say: "Oh, we can't have that tax cut, it would cost the Government $300 billion."

The Government? Whose money is it? It is not the Government's money. Money belongs to the people in this country who go out and work every day. It is their money. The Government will not lose $300 billion if we have a tax cut.

I would ask the question a little different way: How much will it cost the hard-working American taxpayer if we do not cut their taxes by $300 billion?

We are not talking about lower spending here; we are talking about who makes the decisions. We are talking about whether you decide how you spend your money for your family or whether you send your money to the Government for them to decide what your priorities should be.

It is a matter of priorities and who makes the decisions. That is one of the reasons why the Republicans said very clearly, when we put our balanced budget forward over 7 years, that we had a $245 billion tax cut package, because we knew that if we were going to slow the spending in the public sector market, that we wanted to increase the spending in the consumer market.

The difference is who makes the decision. That is why we put tax cuts in our balanced budget. It is why we have a $500 per child tax credit. It is why we have IRA's for the homemakers of this country so that the homemakers of America will have the same retirement security options that anyone who works outside the home has. It is why we have capital gains tax reform, so that our small businesses will be able to make those investments that will create the new jobs and help the economy grow. It is why we have inheritance tax reform. It is why we do away with the marriage penalty, or significantly reform it, because we know that the American family deserves to have more of the money they earn to spend for their families.

So causing another depression is out of the question. In fact, our economy will boom if we will pass a balanced budget amendment. The markets went up just because it looked like we had the chance to do it a year ago. Last year, the market went up because they had the impression that Congress was finally going to "gut up" and do the right thing. We lost it by one vote.

It was a great disappointment, but the market knew. The market knew that by lowering interest rates two points, which is what the balanced budget would do, that we would save money for every person in America who is paying a home mortgage, that we would save money for every person in America who is borrowing to buy a car, that we would save money for every person in America who is borrowing to go to college. The markets knew the stability that would be created by a balanced budget amendment to the Constitution.

Last, but not least, they have really talked a lot on this floor about raiding Social Security—raiding Social Security—if we balance the budget. I ask the question to anyone in America: Would you trust a Congress that cannot balance its budget to keep Social Security intact? If someone does not have the guts to have a balanced budget for our Government, can they be trusted to keep the integrity of the Social Security system?

Frankly, I think that is why our younger generation does not think they will ever see Social Security, because they see a Congress that cannot even balance the budget or even pass a constitutional amendment to balance the budget for the future, and they think, "Now, if they don't have the ability to do that, I really don't think I'm ever going to see Social Security."

So, Mr. President, I think passing the balanced budget amendment is the most important policy decision that we would make in our lifetimes of public service. I think if we do not take that step, we can wait for our grandchildren to ask the question, "You were there back then. Why didn't you do something?"

I saw the picture that my colleague from Oklahoma showed of his grandbaby on the floor. I am horrified to think that that baby is someday going to meet me or talk to the Senator from Oklahoma and say, "You know, why didn't you do something back then when you could, so that I could afford to send my children to college, so that I would have a good job in a great economy in the land of opportunity?"

Mr. President, if we do not pass a balanced budget amendment that is responsible for the American people, we are not going to be able to face our grandchildren, we are not going to be able to answer the question. So if our colleagues will think about the long-term future of this country, or if the people who are looking at voting for a U.S. Senator on the ballot next year will ask that person the question, "How do you feel about a balanced budget amendment to the Constitution?" I mean, you only can say one of two things: "I'm for it," or, "I'm against it."

If the people of this country will rise up and say, this is the most important issue, then our grandchildren will not have the question, because it probably would not ever occur to our grandchildren that we would not balance the budget of this country when it is on our watch.

So, Mr. President, I think the time has come for the people of America to weigh in on this issue. They saw the vote yesterday. They saw that we are within five, six, seven votes in this Congress of passing a balanced budget amendment to the Constitution, which will need to be ratified, so the State legislatures will have a chance to weigh in on this as well. I do not worry about the legislatures ratifying it, if we will have the guts to do what is right in this Congress.

Mr. President, it is all a part of what we were elected to do. We did not run for the U.S. Senate thinking it was going to be an easy job. We knew, especially those of us who have run in the last 2 years, we knew that we were going to have to make tough decisions to turn around 40 years of bad decisions.

I have been a small businessperson. I bought a little company that was on the ropes. I had to make tough decisions to turn that company around. I did it. But it was not easy. That is the exact issue we are facing here on a much bigger scale, because the people of America are depending on us to make this tough decision for our country. They know that we are not going to agree on every budget cut that it will take. They do not expect that. But they do expect a responsible decision.

Mr. President, I will just close by saying, there is only one way to prevent the most dreaded question that I can ever imagine. It is not from one of my constituents calling in or someone that I will see in Texas; it is not from a news reporter. It is from my 5-year-old grandchild, in 20 years, who would say, "Cake, you were there back then. Now I am going to have a child, and I can't afford to send my child to college. Why didn't you do something?" That is the question I do not ever want to hear.

The way we can assure that we will never have that question in our families is to pass the balanced budget amendment to the Constitution because we know how hard it is to do what is right. We know the resistance that we have faced. We know that if we can ever get it to balance, that we should never again allow a future Congress to mortgage the future of our children.

Thank you, Mr. President. I yield the floor.

Mr. COVERDELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. COVERDELL. I thank the Senator from Texas and hope that her wish of not ever having to answer that question can be fulfilled while she is here representing the State of Texas in the U.S. Senate.

Mr. President, I yield up to 5 minutes to the Senator from Michigan.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. ABRAHAM. Thank you, Mr. President.

I thank the Senator from Georgia for once again bringing together a group of Members to discuss an issue of significance. He has been doing an outstanding job, I think, of trying to make sure the public understands exactly what it is that is happening here in the Senate of the United States with the crisis and what the prospects are for our future.

Today, I will continue this discussion about the balanced budget. There seems to me to be two fairly clear questions that Americans need to ask themselves. First, why do we need a balanced Federal budget? Second, why do we need a balanced budget amendment in order to have a balanced budget?

The first question was really one that I think was addressed pretty effectively last year. That was the need for bringing the Federal budget into balance.

The fact is that, as numerous Members have indicated over the last couple of days, a balanced budget means for most families in this country the chance to keep more of what they earn and to spend more on their own priorities rather than spending more money on interest payments, on things like new car loans, mortgages for their homes, the repayment of student loans, and so on, as has been very effectively documented, Mr. President.

When our Federal Government is forced to go into the borrowing markets at large levels and compete with private investment, the price of private investment goes up, interest rates go up. When people want to buy a new home, and in many cases their first home, they find that it is unaffordable today because of interest rates. When people need to obtain a new car, they find that it may be not the car they need for their families because of interest rates. When students start to try to pay back their student loans, they find it extremely difficult because of interest rates.

The reason interest rates are high, Mr. President, is because the Federal Government is borrowing so much money. The way to end the Federal Government's borrowing is to bring the Federal budget into balance. That is what we have been trying to do here. But the goal is not just simply to balance the budget one time in the year 2002, as we have been focused on; it is to keep the Federal budget under control and the growth of Federal spending under control well beyond that date.

There is a very simple reason why 2002 has to mark the beginning, not the end, of the efforts to balance the budget. As we have learned and as I think economists on all sides now would agree, projecting the growth of Federal spending out beyond the year 2002, projecting the growth of entitlement programs as they at least currently are expanding, will find the Federal Government by the year 2010, 2012, 2013, depending on your analysis, but some point about 15 years from now at the point where literally all Federal revenue, all tax collections in total, will only pay for the interest payments that have to be made on this huge Federal debt and for the entitlement payments that will be required at the current rate of growth of Federal spending.

That means not $1 for national security, not $1 for education and training, not $1 for law enforcement to protect the safety of our citizens, not $1 for transportation and infrastructure, not $1 for any other priority unless the Federal Government borrows that $1 or prints that $1.

We know we are not going to go back to the days of the printing press, Mr. President. So that leaves only one option: The further borrowing of money at levels far greater than we ever have before. If we do not bring the growth of Federal spending under control and balance the budget today, that is the prospect, that is the future we look forward to. In fact, it would require so much Federal borrowing that I think private investment in this country would effectively be crowded out entirely, bringing us the kind of economic crisis that we have never confronted before as a nation. That is the future.

The question is, Why do we need an amendment so we do not bring about that future? I think what has happened over the last few months is a pretty clear indication exactly why we need a Federal balanced budget amendment in our Constitution.

The fact is, Mr. President, we now have virtually everybody singing, it would appear, from the same song sheet. We should have to balance the Federal budget. The President says it, although a year ago he did not. The Members of the Republican party in the Senate and the House of Representatives have, not once but twice, passed a balanced budget. This year Democratic Members and Republican Members on the Senate side got together and offered a third version. The fact is, everybody now says they are for it; and everybody in Congress has now found a balanced budget they could live with and vote for. But we still do not have it. The reason we do not have it, Mr. President, is very simple: There is no discipline in the process that requires us to come to final agreement.

So the President, as we saw last winter, could call down leaders of Congress and spend hours talking in generic terms about the Federal Government and how he wanted to balance the budget, but no one was under the pressure that a constitutional amendment would bring in order to balance that budget.

Mr. COVERDELL. I yield 5 additional minutes to the Senator from Michigan.

Mr. ABRAHAM. I thank the Senator from Georgia.

For that reason, we have deadlock. For that reason, we did not reach cloture. For that reason, there was no finality. On we went, on we go—people all claiming to be for a balanced budget, but not willing to make the ultimate tough decision to get there.

As we saw last year, the President would say 7 years, 9 years, 10 years, whatever amount of years seem to satisfy the audience, voters, or polls. We did not get the balanced budget. Mr. President, it is imperative that we do so. We have to consider exactly where the country will be if we continue to flounder along.

As we learned yesterday, just to take one specific program area, Medicare, we know where we are going to be if we do not bring about the kind of discipline in the fiscal process that the Senator from Georgia has been talking about the last 2 days. Where we will be in the year 2001; the Medicare trust fund will go bankrupt. We are no longer talking, as has been the case in the past, in general terms about a bankruptcy somewhere in the distant future. We are not talking, as even we were last year, about having 7 years to solve the problem. We are talking about bankruptcy of the Medicare trust fund on our doorstep in 5 years. We are talking for the first time, Mr. President, not about the Medicare trust fund running a surplus, but it is now running a deficit.

If that is not enough of a wakeup call, I ask my colleagues, what would it take? Obviously, there are some who believe you can continue to put this off. Indeed, the Senator from Georgia today brought us this card which quotes from Wednesday's Washington Times: "The Democrats said they are not concerned that Medicare will go broke because Congress has always acted at the last minute to avert disaster." That may have been the way the Democratic Congress acted in the past. This Republican Congress does not believe in putting off and putting off and putting off the solutions to the problems that Americans, particularly that our seniors confront, Mr. President.

Not only that, but we understand if we do not solve the problem today with a well-thought-through plan, the only alternative way to fix the problem at the last minute will be the kind of plan that I do not think most Americans are going to want or going to tolerate. In fact, we have a sense of what that plan will be. Congressman STARK from California, who is the ranking Democrat on the subcommittee of the Ways and Means Committee that oversees the funding of the entitlement programs, the person who would be chairman of that subcommittee if his party were in charge of the House of Representatives, said the Democrats probably would resort to either a Government takeover of the hospital and health-insurance payment system, or raise payroll taxes.

For Americans who are trying to understand the difference between what we are suggesting on our side, Mr. President, and what the opposition is suggesting, I think this quote probably encapsulates things about as vividly as it possibly could. The Republicans had offered a plan here over a lengthy period of time to reduce the growth of spending in entitlement areas—not cutting, but just reducing the growth of that spending—through more prudent and efficient operation of these programs, by giving seniors, to take the Medicare case as an example, giving seniors the kind of choice the rest of us have as to how we will deal with our health care, but basically preserving intact a system that gives individuals control over how they take care of themselves in the health care they receive.

Now, if we do not address this problem in the fashion Republicans are offering, to avert disaster and bankruptcy in Medicare, the alternative will be this: A system the Democrats will design that will include either the hiking of payroll taxes or a total Government takeover of the health-care system. I actually predict, Mr. President, that if we wait any longer, under the Democratic scheme you will get both of these—not one, both.

So that, Mr. President, puts it in pretty clear contrast, what the options are for Americans today. If we balance the budget, if we put a constitutional amendment in place that requires discipline not just for 1 year but for the future of this country, then we can guarantee our children the kind of security that we have had, the kind of knowledge that if they work hard, play by the rules and do their jobs, they will have choice over their destiny. If we do not, their destiny is going to consist of higher taxes, Government-run health care, and more Government intrusion into their lives.

As far as I am concerned, Mr. President, when I talk to the people of my State, the answer to this question is pretty simple. People in Michigan want to control their own destinies, give their children more opportunity, and see the Government run the way their families are run. Keeping their own budget balanced is a challenge most American families and almost every Michigan family confronts every day. I think we should expect no less here in Washington.

For that reason, I am very disappointed the balanced budget amendment failed. I continue to join and will join with the Senator from Georgia and others to do our best to make sure sooner or later the balanced budged amendment to the Constitution passes.

Mr. COVERDELL. I thank the Senator from Michigan for the very eloquent statement on the purpose of passing a balanced budget amendment and the consequences, as well, of not having one.

There have been many accolades in the last couple of days for the Senator from Illinois. The leader on the other side of the aisle endeavored to try to convince the President and his side of the merits of a balanced budget. In his remarks which he made the other morning on the floor, I want to quote them, I was here, he made a very eloquent statement about why this country needs a balanced budget amendment. He said, "I was reading the other day and came across where John Kennedy in 1963 complained about the huge amount of money that was paid for interest for which we get nothing." That is something to be remembered. It does not buy any service. It does not buy a tank or defend anybody. "He complained about the huge amount of money being paid for interest for which we get nothing. Do you know what the gross interest expenditure was in 1963? Nine billion. That is a terrible waste of money."

But do you know what the latest Congressional Budget Office figures are for this fiscal year, gross interest expenditure? Mr. President, $344 billion.

From 1963 to 1996, from $9 billion interest payments to $344 billion, and going up.

The point that Senator SIMON of Illinois was making was that if we had a balanced budget amendment to the Constitution, we would not be paying $344 billion in interest payments. Those resources would be available to return to the American taxpayer, to this Georgia family that is losing half of its income to government, so that they could do the job we are asking of them.

Mr. President, it was a very disappointing vote yesterday. It was exceedingly costly to every American family. A balanced budget would save the average American family $2,388 a year in mortgage payments, $1,026 in a 4-year car loan, $1,891 over a 10-year student loan.

The net effect of having passed a balanced budget amendment, the net effect of having balanced budgets would immediately leave $3,000 to $4,000 in the checking account of this average Georgia family—$3,000 to $4,000. That is the equivalent of a 10- to 20-percent pay raise. That is what we are talking about.

You get passed it all, talking about the checking account of a typical family at work, doing what they have to do to get the country up in the morning, to get it to school and get it ready. We have impaired, drastically, their ability to do it. Passage of a balanced budget amendment to the Constitution, as Jefferson called for, as Senator SIMON called for, as Senator DOLE called for, is the best single thing we can do to protect the integrity of these working Americans all across the land, tomorrow and for the year to come.

I see the time I was allotted has expired. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. COCHRAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. ABRAHAM). Without objection, it is so ordered.

Mr. COCHRAN. Mr. President, I ask unanimous consent that I may speak as in morning business for up to 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEDICARE TRUST FUND

Mr. COCHRAN. Mr. President, first, I want to commend the distinguished Senator from Georgia [Mr. COVERDELL] and those who spoke this morning on the subject of a balanced budget amendment and the unfortunate consequences of our failure to deal with the problem of the ever-increasing deficits.

We also had a few of those Senators mention, as an aside, the problem with the Medicare trust fund. I wanted to remind Senators that we had a hearing yesterday in the Appropriations Subcommittee that funds the Department of Health and Human Services, and Secretary Donna Shalala came before the committee to present the President's proposed budget for that Department for the next fiscal year. She serves, along with others in the administration, on this panel of trustees, whose responsibility it is to monitor and help keep Congress and the administration informed about the integrity of the trust fund, and supports the Medicare Program.

The trustees, earlier this week, talked about the fact that the worst case scenario for future deficits in that program had been exceeded, and that rather than having the program go bankrupt, be hopelessly insolvent by the year 2002, it was going to be bankrupt earlier. By the year 2000, it would be out of balance by over $30 billion, and the following year, it would be out of balance and in deficit at the figure of $100 billion.

The consequences of this report have to wake up everybody to the realization that unless Congress and the administration quit playing politics with this issue, it is going to be insolvent. This program is going to be in jeopardy, and benefits are going to be in jeopardy as well.

I think the time has come for us to say, OK, the Republican Congress passed a balanced budget act last year. It included in that suggested reforms in the Medicare Program that would have put it in balance, would have kept it solvent, would have made some needed changes in the program to give older citizens more choices, more protection, so that their medical expenses and benefits could continue to be paid through this program.

The President vetoed the bill. He rejected the balanced budget act. So we started over again. This year, the Budget Committee is wrestling with the problem of reconciling budget resolutions, which contain projected expenditures under this program, as well as all other Federal programs, with an effort to continue to build toward a balanced budget plan as soon as possible. Their projection is the year 2002.

What I am going to suggest is that, in this politically charged environment of Presidential politics and campaigns for House and Senate seats underway—and we have to admit it—it is unlikely that this administration is going to change its mind and embrace the Republican proposals. And so we have to acknowledge that.

The President, at the same time, has made a counteroffer, as I understand it, and has proposed some changes in the Medicare Program, which would achieve savings of $116 billion over the same period of time. The Republican proposals would have achieved savings of almost $170 billion.

Let us say, OK, Mr. President, have it your way for the short term. Let us introduce the President's proposed changes in the Medicare Program. Let us accept his proposals for changes and cuts in the Medicare Program and enact them next week, or the week following. If the reconciliation bill from the Budget Committee's resolution is vetoed by the President or not supported by the Democrats in that area of the budget, let us isolate the Medicare Program changes and enact some changes.

I suggest, let us enact the President's proposed changes and cuts in the program and, at the same time, establish a commission—which the President has recommended, the trustees have recommended in their report, including Secretary Shalala, Secretary Reich, Secretary Rubin, and others, who serve on that trustee panel—to recommend long-term changes in the Medicare Program that would ensure its solvency and protect the benefits for the older citizens in our society over the long term.

I do not see anything wrong with that. As a matter of fact, I have been suggesting that that be considered as an alternative. If Congress and the President cannot agree on what changes ought to be made, get a commission together, much like the Base Closure Commission, or the Social Security Commission, which was formed in 1983 and chaired by Alan Greenspan. It made recommendations to save the Social Security trust fund from bankruptcy, and Congress and the President agreed at that time to accept the recommendation of that commission and implement it.

That ought to be a part of this legislation—that we establish that commission, agree to implement its recommendations, and have a vote on it. If you do not want to implement them, vote no; be against everything. But we have to come to terms with the reality of the situation. The longer we wait, the harder the solution is going to be and the more sacrifices that are going to have to be made by everybody—the taxpayers. If we do not make these changes, do you know what is going to happen? Pretty soon, you are going to see the taxes on the employers and employees to fund this program being increased—and by substantial sums.

Now, the older population is getting older and, thank goodness, medical science is wonderful and it is giving us all opportunities for longer lives. But coming with that, too, are added expenses, as you get older, for medical care. Our senior citizens confront the reality every day of this terrible fear, and that is that they will not have the funds, they will not have access to the care they need to enjoy the longevity that they now have, compliments of medical science, good nutrition, and the advances that we have made for good health in our society.

So I say that it is time to stop the partisan politics. Let us quit throwing rocks at each other across the aisle, blaming each other for not getting anything done. I am prepared to say, as a Member of the Republican leadership in the Senate, OK, Mr. President, let us enact your proposal.

I am going to introduce a bill next week, and I hope there will be Senators on both sides of the aisle who will say, OK, let us go along with this suggestion as an alternative to what we have been getting. And what we have been getting is nothing—gridlock, confrontation, yelling at each other, people getting red in the face, and nothing getting done.

I think the American people are fed up with that kind of politics, fed up with that kind of Government. I am fed up with it. It is time to change. We ought to do it now—before it is too late.

I yield the floor.

Mr. THOMAS addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. THOMAS. Mr. President, are we in morning business?

The PRESIDING OFFICER. Let the Chair advise the Senator that he may proceed as in morning business.

BALANCED BUDGET AMENDMENT

Mr. THOMAS. I thank the Chair. I will only take 5 minutes. I wanted to do a couple of things. I want to thank the Senator from Georgia for bringing some discussion today as a follow-up to this vote on the balanced budget amendment. I am very disappointed that that balanced budget amendment to the Constitution did not pass. I think there are obviously reasons that it should have passed. Obviously, it was very close to passage. The reasons, of course, have to do with responsibility, with morality of Government, with fiscal responsibility.

Everyone accepts the idea that we should not be continuously spending more than we take in. It has to do with the historic performance of the Federal Government for 25 years, or more, since we have balanced the budget last. Everybody gets up, and the first thing they say is, "Yes, I am for balancing the budget"—the same people who have been here for 25 years and have never balanced the budget. They say, "We do not need an amendment; we will just do it." Well, we have not just done it.

So I am very disappointed in that. I suspect that we will have some more opportunities to do that.

I come from a State where the constitution provides for a balanced budget. Frankly, it works very well. It is a discipline, and the government works within that discipline. It is one of the elements of good government—one of the elements that says, "All right. We want a program. Here is what it will cost. Are you willing to pay for it?" If you are not, if we are not, if I am not, then we should not do it. That is what this fiscal responsibility is all about.

I think the best instance of that, of course, is a property tax where we live. The school district says, "We need a new science building. Here is what it will cost." Is it worth it? You vote. Are you willing to pay for it, or are not you?

I want to talk about a change that needs to take place in the budget process. Last year we took the whole year and deferred getting the budget finished. Now we are in a year of budgeting, and we are spending such a large amount of our time on the budget. Congress has more responsibilities than simply the budget. Indeed, the budget is very important. The budget is sort of an outline of what we are going to do. But the Congress also has, and the Senate also has, many other responsibilities, such as oversight, such as seeing if bills that have been passed and are up for renewal have, indeed, been effective, whether they need to be changed, whether they need to be renewed. This is a big job, and we are supposed to be doing that. But instead, we are going back and forth spending the whole year practically every year on the budget.

I have a bill that has bipartisan support that asks for reform in budgeting and doing a biennial budget. I think there is a great deal of merit in a biennial budget. No. 1, it is better for the Government. It is better for the agencies. They at least have 2 years of planning for what they can do in their expenditures; 2 years in which they can plan how to manage their dollars. It is much better for the Congress. It is done in most legislative bodies—biennial budgeting. It has been supported by both sides of the aisle.

The resolution that we introduced this year is supported by Senator DOMENICI, who is head of the Budget Committee, and we think we can make this reform next year. I think, as we spend all of this time on budgeting, we spend the whole year practically on budgeting rather than some of the other things that we ought to be doing in addition to budgeting, it makes it more clear that there needs to be some reform. We need to have a biennial budget.

So, Mr. President, obviously, we are not going to get to that this year. There are relatively few working days left. That will not be one of the issues. I am not naive to think that. But I do say to you that I do not think there is anything more important in terms of restructuring our process than to take a look at biennial budgeting. I intend to bring it up again next year. I have been promised support by those who are much more knowledgeable than I about budgeting.

I recognize that there is always resistance from the appropriators. I was on the Appropriations Committee when I was in the legislature. Appropriators have a great deal of influence over all kinds of things because they control spending, and everybody is interested in how spending is done and how it affects their State. So appropriators are reluctant, of course, to lose the authority that they have every year by going through this process. I am sorry for that, but I think they to do a better job if they do it on a biennial basis.

Mr. President, I appreciate the time. I hope we will continue to talk a little bit about how we might change some of the processes in this Congress; that we talk about results rather than procedure; that, instead of saying we have been doing it for 200 years, maybe so, but we ought to see what the results have been for having done that for 200 years. There are some things that should not be changed. There are some fundamentals that should not be changed. But there are some processes that are not producing the results that we want, and one of them is budgeting. The result is a $5 trillion debt, the interest on which is the largest single line item in the budget.

Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. DORGAN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DORGAN. Mr. President, I ask unanimous consent I be allowed to proceed under the 1 hour that has been reserved by the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

REPUBLICAN GRANDCHILDREN

Mr. DORGAN. Mr. President, I have listened this morning to some of the discussion on the floor of the Senate. I felt I needed to come over and speak, at least for historical records, speak to the Republican grandchildren a bit, because the Republican grandchildren have been spoken to on the floor of the Senate about a range of issues. They have been described on the floor of the Senate as victims of legislative problems created this week by a vote on the constitutional amendment to balance the budget.

All grandchildren are affected by what happens in these Chambers, in the Chambers of the U.S. House and the U.S. Senate. Grandchildren will ask the tough questions in the years ahead about the country in which they live, the country in which they are growing up. They might ask some questions about what has made this a wonderful place. There are some who simply cannot concede this is a worthy place to live. They talk about how awful America is. America has gone to hell in a handbasket, they say. America has gone to the dogs.

It is interesting, we have people talking about building fences to keep people out of America because we have so many people who want to come here. This country is a remarkable place, with enormous challenges, to be sure. We have faced challenges before. We faced a Civil War and survived it and came back together. We faced the threat of Adolph Hitler. We faced the threat of a depression. We have survived all of those threats and all of those challenges. Do we have challenges now? Of course; enormous challenges, substantial challenges. But is this a remarkable, wonderful country that the rest of the world looks up to, the rest of the world wants to come to? Of course it is.

At the turn of the century, if you were living in America, you expected to live 48 years. That was the lifespan. Now, at the end of the century, you are expected, as an American, to live approximately 78 years. What accounts for that? A number of things. I have spoken previously about some of them, but let me just describe a few again, at the risk of being repetitious. Our grandchildren and the Republican grandchildren will read the history of these, of course.

The history is well documented of one thing that makes this a better country in which to live, one of the reasons we are living longer. Upton Sinclair did the research at the turn of the century and wrote a book about it. He did the research in the meatpacking plants in our country, in Chicago, and discovered in the meatpacking plants they had problems with rats. How did they deal with the problems of rats in meatpacking plants? Well they took loaves of bread and would lace the slices of bread with arsenic and poison, and lay them around the meatpacking plants and the rats would eat the bread and the rats would die and the dead rats and meat would all go down the same chute and come out the other end as something called mystery sausage and be sold in the supermarkets. Upton Sinclair wrote his book about what he found in the meatpacking plants and, guess what, the American people said, we want to be assured we are eating safe products. And guess what, the American Congress said we are going to make sure when meat is processed in this country it will be inspected. We are going to make sure we are not pushing meat and dead rats down the same chute and pushing it out of the plant and selling it to the American people.

A step forward? Sure. Government intervention? You bet, at the turn of the century, saying this country deserves to have a safe supply of food.

That is one thing that has made this a little better place. There are thousands of others. We constructed, some long while ago in this country, something called the National Institutes of Health and also created something called Medicare. The combination of funding in Medicare and the funding of research in the National Institutes of Health and the genius of some health care professionals around this country have created breathtaking technology that saves people's lives.

It allows people to live longer. People who get old and have trouble with their knees now get new knees. When they have trouble with their hips, they get new hips. When they have trouble seeing, cataract surgery. When their heart blood vessels get plugged up, they get open heart surgery. So we live longer and it costs more. But it comes about because of these breathtaking changes in health care, most of which came as a result of investment by, yes, this Senate, this Congress, the American people, saying we want to make life better for people in this country.

I could go through a litany of things that have changed to make things better, but I will not go through the whole list. I want to say, as you fast-forward to a point in time at which we face these enormous challenges, but at a time in which Americans are living to an average age of about 78 years, a time in which, after 20 years, when we have doubled our use of energy in the last 20 years we have cleaner air and cleaner water—why? Why would we have cleaner air and cleaner water when we have doubled our use of energy in the last 20 years? Because the Congress said to polluters: "You are not going to be able to pollute anymore. You're going to pay a penalty if you pollute. We demand on behalf of our kids and grandkids that we have clean air and clean water in our country."

Is it perfect? No, but would anyone 21 years ago have predicted if we doubled our use of energy we would have cleaner air and cleaner water? No one would have predicted that. It has happened. Why? Because the Congress said to those who were polluting America's air and water, "You can't do it anymore."

Interference? Regulation? Yes. Are some people angry about it? Yes. Some of the largest polluters in our country are angry about it. In fact, they have office space over in the House of Representatives.

The majority party in the House said to those folks, "You all come in here and help us write new regulations that allow you to pollute. Let's retract what we have done on clean air and water regulations. We want to give you more freedom to pollute."

It is called Project Relief by the majority party. Thank God for the U.S. Senate that it has not gotten its way through this Congress, because some of us here value clean air and clean water.

I said I wanted to, for historical purposes, speak as well to Republican grandchildren, because we heard this morning about the burdens of Republican grandchildren.

Some grandchild is going to be asking grandpa some day on that side of the aisle: "Grandpa, I read in the books that the Social Security system was actually collecting enough money for Social Security; in fact, collecting more money than was needed in the late 1990's and the early 2000's, and yet, why isn't there money available for Social Security now when I reach retirement age?"

And that Republican grandpa or grandma, if he or she served in the Senate, would probably have to say: "Well, Grandson, that's because we decided that we would take that money that we promised we would save for Social Security and we would use it over here for something else. We wanted to say we balanced the budget, and we also wanted to build a star wars project and we wanted to provide tax breaks and we wanted to give fairly significant tax cuts, half of which would go to people whose incomes are over $100,000 a year, and we couldn't do all that unless we took the Social Security money and used it over here as operating budget revenues so we could claim we balanced the budget. So, Grandson, in short, those were our priorities."

Maybe they would say, "Grandad, what happened to the jobs? I went to school, I got my college degree and, Grandad, I don't understand, there's not a good job here."

Maybe the grandad would say: "Well, you know what happened to us is we felt we needed to help big business when we were in Congress. So what we decided to do is provide a big, juicy tax break to businesses who would move their jobs from the United States overseas."

And they are going to say: "Grandad, that doesn't make any sense, why would you do that? Why would you encourage people to move jobs out of the country? You knew I was in your family, you knew I was going to go through the school system, you knew I was going to need a job some day. Why would you encourage corporations to move American jobs overseas?"

"Well, that's just our philosophy," they would say, "because we think the big, big corporations are what make the world tick. It is our trickle-down/supply-side notion: If you make the big bigger and the rich richer, somehow everybody else would be better off. So we gave tax breaks to companies who would move jobs overseas."

I have a hunch some of these grandkids who were discussed earlier this morning on the other side of the aisle are going to be enormously puzzled.

They might look at the RECORD here—because we were told that the majority party had offered a balanced budget and were upset the President vetoed it—they might look at the RECORD and they would say: "But, dad, I don't understand. I looked at the RECORD, and you know what you all did? What you all did was you took a little program called the Star Schools Program, which was designed to target investments in math and sciences and certain star schools to enhance America's education system, and you slashed that at the same time that you said you needed to increase, by over 100 percent, a star wars program. Why was star wars more important than star schools?"

So the father is going to explain to the son or daughter that choice.

"But, grandpa, what about the Head Start Program? Didn't all the evidence suggest the Head Start Program really did work where you make available to a 3- or 4-year-old child who comes from a low-income, disadvantaged family the opportunity to go into a Head Start Program? Didn't all the evidence show that that investment in that 3- and 4-year-old produced enormous rewards, enormous returns?"

"Yes; yes, they did."

"Well, then, why did you tell 60,000 children that they were no longer going to be eligible for Head Start? If that was a good program, why did you tell 60,000 kids that they don't matter, that star wars was more important, or a tax break to a company that was going to move their jobs overseas was more important?"

Or maybe they will read the RECORD and they will say, "Well, grandma, I was reading about that budget debate you all had, and the one thing I don't understand is with all the problems you had with kids and youth crime, you cut 600,000 summer jobs for disadvantaged youth. Why would you do that? Why would you believe that summer work for disadvantaged youth somehow was not in this country's interest?"

And they are going to have to explain that, I guess.

But mostly they are going to have to explain, it seems to me, the contradiction between their assertion that their demand that they change the Constitution now in a way that misuses Social Security funds followed by an agenda that immediately brings to the floor a program that will cost up to $60 billion more to create a star wars program, immediately bring to the floor a proposal that will cut gas taxes some $30-some billion in 7 years, a proposal that will substantially cut taxes somewhere in the $180 to $200 billion range, much of which will go to upper income people, they are going to have to answer as to how that adds up. How does all that add up so that those children can understand that this was a menu that made sense, and, of course, it is going to be hard for any child to understand that because this does not make sense.

I want to reinforce this, not with my words, but I would like to reinforce it by quoting some others.

David Gergen, who worked for Ronald Reagan, George Bush, and Bill Clinton, writes the following, speaking of the Republican majority:

In their eagerness to satisfy one principle, fiscal responsibility, the Republicans would ask the country to abandon another, equally vital principle—fair play. This is a false, cruel choice we should not make.

When Bill Clinton achieved large deficit reductions—

And they have been reduced substantially—

we pursued the idea of shared sacrifice. Not this time. Instead, Congress now seems intent on imposing new burdens on the poor, the elderly and vulnerable children, while, incredibly, delivering a windfall for the wealthy.

Proposals passed by the House and Senate would rip gaping holes in the Nation's safety net, already low by the standards of advanced nations and once considered sacrosanct.

This from a fellow who has worked for both Republican and Democratic Presidents.

Another quote from David Gergen:

U.S. News reported last week the lowest 20 percent of the population would lose more income under these spending cuts than the rest of the population combined. At the other end, the highest 20 percent would gain more from the tax cuts than everyone else combined.

No one disputes the basic contention that the burdens of benefits are lopsided. In a nation divided dangerously into haves and have-nots, this is neither wise nor justified.

Let me describe what he is saying, because I think it is important. Consider this room is the United States and then say, "All right, the 20 percent of you with the lowest incomes, you move your chairs over here," so we have the 20 percent with the lowest incomes sitting on this side of the room.

"Now we have a deal for you. You're going to have 80 percent of the burden of all the spending cuts. You 20 percent with the highest incomes, you all move your chairs to this side of the room, and we have something that is going to make you smile, because you are going to get 80 percent of our tax cuts."

That is the problem with this agenda.

Let me quote extensively from someone who has not worked with both Democrats and Republicans. This is a Republican, Kevin Phillips, a Republican political analyst, who has written extensively on economic issues, written a couple wonderful books.

He speaks of this agenda:

Remember, at the same time as the Republicans proposed to reduce Medicare spending by $270 billion over 7 years, they want to cut taxes for corporations, investors, and affluent families by $245 billion over the same period. This is no coincidence.

Kevin Phillips, a Republican political analyst.

Kevin Phillips:

Today's Republicans see federal Medicare outlays to old people as a treasure chest of gold for partial redirection in their favorite directions; towards tax cuts for deserving corporations, families, and individuals.

Again, Kevin Phillips, a Republican analyst:

Further, [Kevin Phillips says] the revolutionary ideology driving the new Republican Medicare proposal is also simple. Cut middle-class programs as much as possible and give the money back to private-sector businesses, finance and high-income taxpayers.

Not a Democrat speaking; Kevin Phillips, a Republican analyst.

Again, Kevin Phillips:

If the budget deficit were really a national crisis instead of a pretext for fiscal favoritism and finagling, we'd be talking about shared sacrifice with business, Wall Street and the rich, the people who have the biggest money making the biggest sacrifice. Instead, it's the senior citizens, the poor, the students and ordinary Americans who'll see programs they depend on gutted, while business, finance and the richest one or two percent, far from making sacrifices, actually get new benefits and tax reductions.

Again Republican political analyst Kevin Phillips:

If the U.S. budget deficit problem does represent the fiscal equivalent of war—maybe it does—then what we are really looking at is one of the most flagrant examples of war profiteering this century has seen.

I know these are controversial and very strong, assertive statements—not from a Democrat—from a Republican political analyst about the Republican agenda.

Kevin Phillips again:

Spending on Government programs, from Medicare and education to home heating oil assistance, is to be reduced in ways that principally burden the poor and middle class, while simultaneously taxes are to be cut in ways that predominantly benefit the top one or two percent of the Americans.

Finally—Kevin Phillips—this is the last quote I will use from him. But as you can see, this Republican analyst has had a very harsh view of the Republican agenda.

In short [he says] aid to dependent grandmothers, children, college students and city dwellers is to be slashed, while aid to dependent corporations, stock brokers and general and assorted James Bond imitators survives or even grows.

Then William Kristol, who is the contemporary philosopher behind the Republican agenda these days, at least the principal spokesperson on television.

Someone needs to stand up [he says] and defend the establishment: In the last couple weeks, there's been too much pseudopopulism, almost too much concern and attention for the, quote, the people—that is, the people's will, their prejudices, their foolish opinions. In a certain sense, we're all paying the price for that now. . . After all, we conservatives are on the side of the lords and barons.

William Kristol.

I would not even bother to come to the floor today except I sat and watched almost 2 hours of the other side saying, "Gee, our agenda's right for America. We have the right menu. We're doing the right thing. It's a bunch of other slothful people around here who can't get their acts straight. It's people who have changed their mind, people who won't stand and support a balanced budget."

I have heard almost more of that than we care to hear from people who say they want to change the Constitution but whose every action on the floor of the Senate is that they want to spend more money.

I say this to them, those who spoke this morning and others, when you come to the floor of the Senate next week, if it is a defense authorization bill you bring to the floor of the Senate next week—I think it probably will be; we have not yet been informed—if it is, and if you are intending to spend, I believe, between $11 and $13 billion—I think $11 billion more than the Pentagon asked you the spend—would you also come to the floor of the Senate and tell the American people who you want to tax for the extra $11 billion? Who is going to pay the extra $11 billion? Why, do you think generals do not know enough about how many trucks they want to buy?

You say, we want to buy more trucks than the generals ask for, buy more ships than the generals ask for, more airplanes than the generals need. Last year you did the same thing. You said the Defense Department did not know enough. We insist on buying more submarines, trucks, ships, and planes than the Pentagon wants, needs or asks for.

I just encourage this: If you say you are for balancing the budget, the place to balance the budget is in individual spending decisions here on the floor of the Senate, not in the Constitution. If in the next piece of legislation that comes to the floor of the Senate, you have decided that the Pentagon needs to spend more money than they have asked to spend, tell us who is going to pay for that. How much are you going to increase the debt to accommodate that?

Then when the next bill comes following that, which you say is not star wars, but which in fact is a new $60 billion program—the Congressional Budget Office says $30 to $60 billion— you show me a program that comes in at the low end, I will show you every program that comes out in the high end. When you bring the next one on the floor to spend $60 billion on a new star wars program, you tell us, again, how much you favor a balanced budget and you tell us who you intend to have pay for that. Or do you intend to charge that?

I do not have today the charts that show the budgets that were submitted by President Reagan and President Bush in 12 years. But I will bring that to the floor at some point because the implication of the debate on the floor of the Senate is that somehow it is the Democrats that want to spend money. No one has asked for more deficits, no one has requested higher deficits in the history of this country than the combination of Ronald Reagan and George Bush in the budgets they have asked for Congress to pass. No one.

I am not talking about accidents. I am talking about deliberate requests, asking Congress for budgets that create deficits that have been the highest in the history of this country. I will bring those to the floor and demonstrate that. So it is not a case where one party is all right and one party is all wrong. The only reason I stand to respond to 2 hours of constant finger pointing is that people need to understand that what the Republicans have complained about this morning is they have not been able to get their agenda through the Congress because this President has vetoed an agenda that their own Republican colleagues and their own Republican authorities have said is a terrible agenda. It is, take from the have-nots and give to the haves. Some of us are unwilling to go along with that. I know that that forces some of you to complain.

So I come to the floor to say it is not the way you suggested. It is not a case where you can point fingers across the aisle and say, "They're at fault. They're responsible." We have plenty of blame on our side of the aisle. Democrats have plenty of blame to spread around on our side of the aisle.

Let me take some credit for being part of a party that says, we want to build a Medicare program in this country, and we did it. No thanks to some people who are still bragging they voted against it. Medicare has made this a better country and a better life for a lot of people in this country. I am proud to be a part of a party with a legacy that is a wonderful legacy that has made life better in this country.

But we also have some responsibility. We have created too many programs. I do not disagree with that. We have been concerned about solving problems. Sometimes we create a program that we think will solve a problem, and it does not work. We have not, in my judgment, been aggressive enough in getting rid of those programs.

But I do not believe the record will show that those this morning, who spend 2 hours pointing fingers, are going to come to the floor of the Senate in the next couple weeks with a menu of proposals that really balances the budget, especially without misusing the Social Security trust funds. They are going to come instead to the floor of the Senate with proposals to increase Federal spending, increase Federal spending on a star wars program and increase Federal spending on defense programs. They will make a case where it is necessary. I will not discredit them for doing it. They have every right to do that. I will not question their motives. I will not discredit them. We disagree on the agenda. I will not discredit them.

If you are going to propose new spending programs, you have a responsibility to tell us who will pay for it. The majority leader was asked at a press conference in the last week, when they propose this so-called star wars program, how much will it cost and who will pay for it? The answer was, "We will leave that to the experts." That is the kind of answer that has given us the debt that we have and the deficit that we have in this country.

I want to make one additional point, and then I know my colleague from Kentucky wishes to say a few words.

We have $21 trillion in debt in this country. I heard one person today say, "I started a business and I had to balance my budget." I bet—and I do not know anything about that person's business—I bet $1,000 that person started that business with debt, had debt financing. How many people in here paid cash for their house? How many people bought a car with cash?

Mr. President, $21 trillion in debt in this country, almost $5 trillion in corporate business debt, $4.3 trillion in household debt, including home mortgages, a little over $5 trillion in Federal debt. Is the Federal debt too high? You are darn right—far too high. Do we need to do something? You bet. This is a very serious problem. But what you do to solve the deficit problem is what we started doing in 1993 and we did not get one vote for it on the other side of the aisle. We cut spending in a real way, and we increased taxes.

I understand, some people would not increase a tax under any condition, even if their kid did not get education. They say, "I am against taxes." I am perfectly willing and was willing in 1993 to vote for a piece of legislation that substantially cut the Federal deficit. Yes, it increased the 4.3-cent gas tax. I did not like that. I would have preferred we not do that. I am glad I voted for it because it reduced the deficit substantially.

That deficit has been coming down, way down, and I am glad we did what we did. We did not even get one vote on the other side of the aisle by those who try to reach 10 feet in height and crow about how much they want to reduce the deficit. They care so much they want to enshrine in the Constitution of the United States a practice taking trust funds from the Social Security trust fund and use them over here to balance the budget.

Let me finish with this point. I heard this morning, again, that they have passed a balanced budget and sent it to the President. I would like one Member of the majority party to explain this chart to me—just one, just once. One Member explain it just once.

This is the chart that you say is a balanced budget. Mr. President, $108 billion in deficits in the year 2002. Either you balanced the budget or you did not. If you did not, why do you call it a balanced budget? If you did, why is $108 billion here?

Now, I see our friend from Wyoming has entered the Chamber, and we will probably have a discussion about Social Security, which I am delighted to have because we have not had an opportunity previously to have any substantial time on the floor to address the issue. I hope maybe we will today because I have a fair amount of time and a fair amount of interest. I say at the start that I do not discredit his motives at all, but we have a deep disagreement about a vote I cast, to say to people you pay higher payroll taxes, you pay higher payroll taxes, and those payroll taxes will be dedicated to paying for Social Security. The fact is, you will enshrine in the Constitution a requirement they be used in the operating budget.

I know the Senator from Kentucky wants to say a few words first, and I would like to let him speak. I do not have any place to go. I am happy to have a discussion with the Senator from Oklahoma.

Mr. INHOFE. Will the Senator yield?

Mr. DORGAN. Briefly, but I would like to yield to the Senator from Kentucky.

Mr. INHOFE. One quick question. Earlier today I quoted you. Did I inaccurately quote you in any way?

Mr. DORGAN. I would not have any idea what you said. I did not hear you.

Mr. INHOFE. It was a statement made. Put it this way: Is it not true in 1994 you voted for and supported and totally supported the balanced budget amendment that was then before this body? Is that not the same exact balanced budget amendment you voted against yesterday?

Mr. DORGAN. I am pleased the Senator has asked the question. The circumstances are quite interesting about this. I think the Senator from Kentucky will probably respond to it.

In 1993, we had a balanced budget amendment on the floor of the Senate. I raised the same question there that I raised 10 years previously, in 1983, in the Ways and Means Committee, about using the Social Security trust fund. If you will go back and read the dialog, you will read that the Senator from Illinois and others with whom we had a substantial discussion about this, said, "No, no, we do not intend after we pass this amendment to use Social Security trust funds to show a balanced budget. In fact, we intend to do something statutorily to prevent that."

Two years later, instead of a promise by the promoters of the constitutional amendment that they would not use the Social Security trust fund, there was a guarantee by a vote of the Senate that they would use the Social Security trust fund.

So you ask, is it the same vote? No. One was a promise they would not use them, and the second was a guarantee by a vote of the Senate that they would.

No, it is not the same vote, not the same circumstances. The difference might seem small to some, but when you come from a town of 300 people, $700 billion is a mountain of money.

I am happy to yield to the Senator from Kentucky.

Mr. FORD. How much time do I have?

The PRESIDING OFFICER. The Senator from Kentucky has 27 minutes.

Mr. FORD. Mr. President, I yield myself 7 minutes.

BALANCED BUDGET AMENDMENT VOTE

Mr. FORD. Mr. President, I am glad the junior Senator from Oklahoma is on the floor. I regret, once again, the junior Senator from Oklahoma has resorted to a personal attack and distortion of my record on the balanced budget amendment.

Mr. INHOFE. Will the Senator yield?

Mr. FORD. Senator, I did not come over here and bother you. I will be glad——

Mr. INHOFE. You suggested I impugned your integrity.

Mr. FORD. You certainly have, and I will explain it.

Mr. President, I do not yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky does not yield.

Mr. FORD. Just a little while ago, the junior Senator from Oklahoma quoted from a floor statement I made on March 1, 1994. He represented, by holding up two copies of the legislation—you do not understand that or see that in black and white, but you watch it on television—that I was speaking in favor of an identical version of the balanced budget amendment which was defeated yesterday.

Mr. President, I want to give you and the Chamber a page number. I see the staff. They can go back and go through it. It was page S2058 of the March 1, 1994, CONGRESSIONAL RECORD. I wish the Senator from Oklahoma would have actually read my full statement. He would have found out that I was not speaking about the underlying constitutional amendment from which he quoted me, but rather about something called the Reid-Ford-Feinstein amendment.

Guess what that amendment did? It created a firewall so that the Social Security trust fund could not be counted to balance the budget. That was my position. It was the Reid-Ford-Feinstein amendment.

The junior Senator has misrepresented my record by quoting from that statement in support of an amendment in the form of a substitute and acting as if I was speaking about a constitutional amendment which does not protect Social Security.

On March 7, 1994——

Mr. INHOFE. Will the Senator yield?

The PRESIDING OFFICER. Does the Senator yield?

Mr. FORD. I guess it is all right.

Mr. INHOFE. I ask the distinguished and honorable Senator from Kentucky if he did, in fact, vote for Senate Joint Resolution 41 in 1994?

Mr. FORD. You have my record there. Tell the public.

Mr. INHOFE. Yes, you did. It is identically the same. You voted——

Mr. FORD. And it is the same question you asked the Senator from North Dakota. The reason we did, they were excluding Social Security. We had a firm commitment they were excluding Social Security.

Now we have a guarantee that you are going to use Social Security.

Mr. INHOFE. It is an identical resolution.

Mr. FORD. Mr. President, if he is going to talk, I want it on his time, not on mine.

Mr. DORGAN. Mr. President, let me respond. The Senator is under a misimpression, I am sure. He does not understand this. You are asking if this is identical, and the answer is, no, it is not identical. I believe it is not identical. Let me ask you this. As an example, does the latest resolution referred to include the Nunn amendment, and if it does——

Mr. INHOFE. I have the two resolutions right here. They are exactly the same. I ask the Senator to show me or read to me where they are different.

Mr. DORGAN. I believe the Senator is absolutely wrong, demonstrably wrong. As an example, does the Senator recall that Senator NUNN required an addition to the amendment to be made, during the latest go-around, before he would vote for it and that there was an addition made by Senator NUNN? Do you recall that?

Mr. INHOFE. Mr. President, I ask unanimous consent that the two resolutions that we voted on—Senate Joint Resolution 41, in 1994, and House Joint Resolution 1, in 1996—be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S.J. RES. 41

(103d Congress)

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission to the States for ratification:

"ARTICLE—

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year, in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 1999 or with the second fiscal year beginning after its ratification, whichever is later.".

H.J. RES. 1

(104th Congress)

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, which shall be valid to all intents and purposes as part of the Constitution when ratified by the legislatures of three-fourths of the several States within seven years after the date of its submission to the States for ratification:

"ARTICLE—

"SECTION 1. Total outlays for any fiscal year shall not exceed total receipts for that fiscal year, unless three-fifths of the whole number of each House of Congress shall provide by law for a specific excess of outlays over receipts by a rollcall vote.

"SECTION 2. The limit on the debt of the United States held by the public shall not be increased, unless three-fifths of the whole number of each House shall provide by law for such an increase by a rollcall vote.

"SECTION 3. Prior to each fiscal year, the President shall transmit to the Congress a proposed budget for the United States Government for that fiscal year in which total outlays do not exceed total receipts.

"SECTION 4. No bill to increase revenue shall become law unless approved by a majority of the whole number of each House by a rollcall vote.

"SECTION 5. The Congress may waive the provisions of this article for any fiscal year in which a declaration of war is in effect. The provisions of this article may be waived for any fiscal year in which the United States is engaged in military conflict which causes an imminent and serious military threat to national security and is so declared by a joint resolution, adopted by a majority of the whole number of each House, which becomes law.

"SECTION 6. The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.

"SECTION 7. Total receipts shall include all receipts of the United States Government except those derived from borrowing. Total outlays shall include all outlays of the United States Government except for those for repayment of debt principal.

"SECTION 8. This article shall take effect beginning with fiscal year 2002 or with the second fiscal year beginning after its ratification, whichever is later.".

The PRESIDING OFFICER. The Senator from Kentucky has the floor.

Mr. FORD. Mr. President, we never got an answer from the junior Senator from Oklahoma as to whether Senator NUNN's amendment was in the last one. He says they are identical, and they cannot be identical if Senator NUNN's amendment was included. It would not have gotten Senator NUNN's vote had that not been included.

Mr. INHOFE. Mr. President, if the Senator will yield——

Mr. FORD. I am not going to yield for anything, Mr. President. I am not going to yield.

Mr. DORGAN. Mr. President, will the Senator from Kentucky yield so I can make my point?

Mr. FORD. Mr. President, I will yield to the Senator from North Dakota briefly.

Mr. DORGAN. The Senator may not be putting in the documents that relate to his question. The Senator's question was, were these not identical amendments, the 1994 and 1995. I think the Senator put something in the RECORD that does not relate to the information that shows you were wrong.

I ask unanimous consent that we have printed in the RECORD the first vote on the constitutional amendment, and that, I believe, was in 1994, and the actual amendment voted on and the subsequent amendments, and the RECORD will show that the Senator is incorrect in saying that they are identical.

Mr. INHOFE. Reserving the right to object to the unanimous consent request. The two resolutions that I asked to be inserted into the RECORD are Senate Joint Resolution 41, which was in the 103d Congress, first session, and Senate Joint Resolution 1, which is what we voted on yesterday, which are identically the same. I do not want the ones from 1993, 1989, or any other time. I want these two.

Mr. DORGAN. If the Senator wishes, we can ask unanimous consent to put anything we want to the RECORD. Does the Senator object to allowing us to put something in the RECORD, or not?

The PRESIDING OFFICER. Is there objection?

Mr. INHOFE. Reserving the right to object, I want the RECORD to be clear that these are the——

Mr. DORGAN. Mr. President, the Senator from Kentucky has the floor. I withdraw the request.

The PRESIDING OFFICER. The request is withdrawn.

The Senator from Kentucky.

Mr. FORD. Mr. President, this is what has been going on in this Senate Chamber for some time now. You attempt to put in certain things to substantiate your position, but you do not tell it all. You put in a piece of legislation that was printed, but you never put in the piece of legislation as it was amended.

When I was brought up, Dad told me that "the devil was in the fine print." So let us get to the fine print. You just cannot continue to condemn people around here because they do not agree with you. I wish you would read Warren Rudman's book on why he left the U.S. Senate. He said he could sit down with TED KENNEDY, JOE BIDEN—and he named a list of Senators. He would say, "Let us compromise and work this thing out." He said, "I never did question their morality or their patriotism. But we could sit down and work things out." We no longer do that in the Senate, so Warren Rudman is no longer a major voice in the consideration of legislation in the Senate. So you have driven from this body one of the sharpest, one of the most dedicated individuals, I think, that has served here.

Now, I will go back to where I was interrupted. On March 7, 1994, the distinguished majority whip made a similar mistake, quoting me out of context. I will say one thing for him. He later came to the floor and apologized. But here we go again, misquoting my record.

Mr. President, we have made some tough votes around here, which actually were about deficit reduction, not just talk, not just an issue. We had a deficit reduction package in 1990. We had one in 1993. Yes, Senator, I voted for both of them, and you voted against both of them. They were not perfect packages, that is true. If they were perfect, we would not be here. Those of us who voted for them took a lot of political heat—a lot of political heat. But, guess what? The deficit is coming down for the fourth consecutive year. The deficit is being reduced. One pledge that was made in 1992 was that the deficit would be reduced by half. It is better than half. There was not a vote from the Republican side for that package. I note that the junior Senator from Oklahoma is as tough as his rhetoric is about balancing the budget. He voted against both deficit reduction packages.

Let me talk about one other item included in the 1990 deficit reduction package. It is section 13301. I am sure the Senator is familiar with that, because Senator HOLLINGS, if you have been listening to the debate on the floor, described it in such detail during our debate on the balanced budget amendment. It says, you cannot count Social Security trust funds when balancing the budget. You cannot do that. That is the reason you are $108 billion short. You have not presented a balanced budget. If you balance the budget, why is it $108 billion short? It is in the RECORD. CBO is what Speaker GINGRICH said we had to go by, and the President agreed. CBO says you are $108 billion short. There is no balancing the budget. You can beat your chest all you want to, but there is no balancing the budget.

It is more than $100 billion short in the year 2002. All you have to do is read the bill, because you cannot count Social Security under current law. But the balanced budget amendment—the senior Senator from Oklahoma, yesterday, objected to the Senator from Oregon asking unanimous consent to offer that amendment for the firewall on Social Security. The senior Senator from Oklahoma said it is taxes and expenditures, and it ought to be in the budget. Now, look that one up.

So here we are offering to protect Social Security with a firewall, which is now law, and we get an objection from the senior Senator from Oklahoma, who said, "It is a tax and expenditure, and it ought to be in the budget, so, therefore, I object." They would not let us bring that amendment up to even vote on it. They would not even let us bring it up to even vote on it. If you want to pass a balanced budget amendment, put a firewall in, protect Social Security, and get 70-some votes in this Chamber. But, no, you want to use it. We have it in handwriting. The leadership on the Republican side said how many hundreds of billions of dollars they will take from Social Security. Now they are talking about a little gimmick that after 2002 we will take 4 years and pay it back. If you want to balance the budget, let us balance the budget.

So the Senator from Oregon was refused.

You know, in this statement I made from which I was quoted yesterday, it starts out: "Mr. President, I have but a few minutes to speak this morning on behalf of the Reid-Ford-Feinstein balanced budget amendment. So I will concentrate my remarks on the Social Security trust."

That is where you quoted me. That is where, excuse me, where the Senator from Oklahoma—I want to be careful of my language here; we are not supposed to use "you," but "the Senator from Oklahoma"—that is where you quoted me from. It was a debate on the Ford-Reid-Feinstein balanced budget amendment to put firewall in for Social Security.

So it is just be beyond me. I want to say that I hear so much about, "If 40-some-odd Governors can operate a balanced budget, why can't the Federal Government?" We do not have a capital account. Most Governors have capital accounts, if you understand how Governors operate. The Governors have an operating account. So it is all different. Governors do not print money like the Federal Government. So they have to balance the budget. But they find ways around it.

"I think the implementation of this amendment will work." That is a quote from me in that statement. "I think we can make it work." That is a quote from me in that statement. It is on page 2058 of March 1, 1994.

"If we want an issue, fine." That is in that statement. "Stay with Senator SIMON and Senator HATCH. Stay with them, and then we will have an issue when we go home with no balanced budget amendment."

I said that in that part of the statement from which I was quoted yesterday. Also, I might say in there I said, "I am just as worried about my grandchildren as anyone, and I think I have a pretty good idea about grandchildren."

That is in that statement. You did not read that. People did not read that out of my statement. You know, you could just lift these things out, hold up your hand, beat your chest, and wave the flag. But when you get down to it, what do you have? An issue and no amendment. Take the money out of Social Security.

We have heard a lot about a contract around here in the last 18 months. There is a contract for the seniors of this country, and that is Social Security. And they paint a broad brush with Medicare. Medicare has two parts: part A and part B. Part B has a surplus. We have been trying to correct part A now for 2 years. But they will not listen; $124 billion was the first cut from the budget that was given to us.

So now we hear the objection of the senior Senator from Oklahoma yesterday to the distinguished Senator from Oregon [Mr. WYDEN] to offer a substitute amendment that would put a firewall in to protect Social Security.

There are other different ideas about Social Security and about Medicare. But no country in the world, in my judgment, takes care of its citizens better. We are a capitalist country. What happens when the capitalists no longer need us? They fire us. And when they fire us, somebody has to try to pick up the pieces. Because we have been a strong democracy, government has picked up the pieces. We have retrained personnel. We have helped them with health care. We have tried to feed them and clothe them until they could get back on their feet. But that is the story of democracy and government, and government has a part.

So, Mr. President, I hope that in the times ahead when we start quoting Senators that we quote them in context instead of out of context, and that we remember that there is a section 13301, the off-budget status of Social Security, the exclusion of Social Security from all budgets: Notwithstanding any other provision of law, the receipts and disbursements of the Federal old age and survivors insurance fund, and the federal disability insurance trust fund, shall not be counted—shall not be counted—as new budget authority outlays, receipts, or deficits or surplus for the purpose of the budget of the U.S. Government as submitted by the President, the congressional budget, or the Balanced Budget Emergency Deficit Control Act of 1985.

That is the law. If you put the amendment on and pass it, then the law falls, and the amendment to the Constitution includes Social Security.

I yield the floor.

Mr. DORGAN. Mr. President, how much time is remaining?

The PRESIDING OFFICER (Mr. SHELBY). Eight and one-half minutes.

Mr. DORGAN. Mr. President, let me just conclude, and I understand the Senator from Wyoming is here and I will attempt to stay and listen to some of his discussion as well.

Mr. President, let me also complete one portion of this discussion. I only responded to the Senator from Oklahoma with respect to identical bills because I believe they are not identical. I do not want the Senator to sometime come to the floor and say, "Well, he opposed the Nunn amendment." But I actually supported the Nunn amendment. I have no problem with the Nunn amendment. I believe the Nunn amendment means those were not identical proposals. I do not want you to misunderstand that.

On that, the Senator is wrong. I believe these are not identical proposals. I did not oppose, nor did the Senator from Kentucky oppose, the Nunn amendment, for that matter.

SOCIAL SECURITY

Mr. DORGAN. Mr. President, I want to make an observation about Social Security. So the Senator from Wyoming might think about this as he begins his presentation. I have heard him a number of times. Sometimes he and I are in agreement and sometimes not. He is always thoughtful, interesting, and bright, and I enjoy his speeches. I have written him privately. I think his leaving the Senate is a loss for the Senate. I still believe that, even though we have substantial disagreements. And I have respect for his opinions.

But I want him to understand that in 1983 when I served on the House Ways and Means Committee and became a part of a group of people who wrote the Social Security Reform Act, in the archives of the warehouse that holds the markup documents for that markup, the Senator will find that I offered an amendment that very day 13 years ago, an amendment designed to head off what I feared would happen and what has happened under both Democrats and Republicans since, and that is we would increase a regressive payroll tax and use the regressive money from the payroll tax to do things other than save for Social Security.

I would like to just make this observation. I do not think there is one Member of the U.S. Senate—not one—who would vote affirmatively for the proposition as follows: Let us increase the payroll tax substantially for workers and for businesses and tell them that it will come out of their paycheck in the form of a dedicated tax to be put into a trust fund, but that we will, in fact, treat it as all other revenue with no distinction and that it will become, in fact, part of the ordinary revenue stream of Government with which we will balance the rest of the Federal budget. I do not think there is one man or woman in the Senate who would affirmatively vote for that kind of proposition. Yet, that is exactly what we have gotten from the 1983 Social Security Reform Act.

I would not have voted for it in a million years had I thought that was going to happen. When it began to happen, the first day of the markup I offered an amendment—and I have offered a dozen proposals since, in meetings with the Speaker of the House when I was in the House, and here in the Senate. We have technically changed the law thanks to section 13301 of the Budget Enforcement Act, authored by the Senator from South Carolina. But we have never altered the momentum of using the taxes that are taken from the paychecks to become part of the general stream of money to fund general fund obligations of the Federal Government.

I have had a generous amount of time to speak. The majority party has spoken generously this morning as well. Let me, as I sit down, say once again that although we have deep disagreements, I have great respect for Members of the other side of the aisle. But I believe in my heart that what we are doing—to the tune of hundreds and hundreds of billions of dollars of Social Security revenues—is fundamentally wrong. No business in America could do what the Government is doing. No business in America could say: By the way, I had a good year last year. Oh, I was short of money, but I took the money from my employees' pension plan and showed that as part of my income, and it turned out all right.

No business in America could do that because it is against the law. Yet that is exactly what happens in this budget scheme, proposed not only by the majority party but proposed in the past as well.

Mr. President, I will stay here and be anxious to listen. I yield the floor.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. INHOFE. Mr. President, I understand all time has expired on both sides at this time.

The PRESIDING OFFICER. The Senator from North Dakota has a little over 3 minutes of time left.

Mr. INHOFE. I think he yielded the floor. I ask unanimous consent I be allowed to speak as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

GOVERNMENT REGULATION

Mr. INHOFE. Mr. President, I will make this very brief, because several questions have come up concerning Social Security. I think it is a very critical thing. I happen to have been privileged to be presiding yesterday when the distinguished Senator from Wyoming, the senior Senator, Senator SIMPSON, who is the chairman of the Social Security Subcommittee and, I think we all agree, is the authority in this body on Social Security—he is here and will be responding to these questions in a much more informed and eloquent way than I would be able to respond to them. But I do have to respond to a few things that have been said by both my good friend, the Senator from North Dakota, and the Senator from Kentucky.

First of all, it was implied—I am sure it was not intentional—that I was only concerned about Republican grandchildren. Obviously, we are all concerned about our own. I opened my remarks yesterday on the floor making a reference to Senator Simon, who had talked about Nicholas Simon, his grandchild. I said I know he is just as emotionally involved with his children and grandchildren as I am, and Democrats are as much as Republicans. I hope that is understood.

But, when the distinguished Senator from North Dakota used the example of government control, with the rats eating the bread laced with arsenic, certainly if I had been there at the time I would have strongly supported an effort to stop these types of abuses and these types of unsanitary practices from taking place.

But there is a fine line here. You come to a point where, if you see that point, you have too much government control. I think that is one of the basic philosophical differences, and it is an honest difference, between Democrats and Republicans. I suggest to you, if you talk to Tim Carter of Skiatook, OK, who was called a couple of days before Christmas a few years ago and put out of business by the EPA, what he had done wrong was he moved his business from one area of Skiatook, OK, a very small city, to another area, and did not inform the EPA of this move.

I said, "They do not know that you moved?" He said, "Well, yes, I informed the district office, but they apparently did not inform the national office." For that reason they put him out of business and they took his number away from him.

Then, when I finally got that corrected, he called me again and he said, "Now I have another problem. I have an inventory of 50,000 bottles." He had some kind of operation, horse spray or something, that they manufactured. Apparently there is a market for it. He said, "The EPA says I cannot use those bottles now, because during that brief time I was out of business they gave my number to somebody else." This is the type of thing.

Or Jim Dunn, who owned a third generation family lumber company in Tulsa, OK, who called me up and said, "The EPA put me out of business." This was a couple years ago. I was in the other body at the time. I said, "What did you do wrong?" He said he did not do anything wrong. He said, "I have been selling used crankcase oil to the same contractor for a couple years and they traced some of that to the Double Eagle Superfund Site and they say I am in violation. They are going to impose $25,000 a day fines on me." This is a company that had its net increase the year before of something like $50,000. He was out of business. The heavy hand of overregulation.

We corrected that situation. But if he had not called me, he probably would be out of business today. That contractor he sold his oil to 10 years ago was licensed by the Federal Government, by the State of Oklahoma, by Tulsa County. He did nothing illegal. Yet Government was regulating him out of business. This is what I am talking about. Have we gone beyond that point, to where we are the most overregulated society or country, to the point where we are not globally competitive? I say, yes, we are overregulated.

MISSILE DEFENSE

Mr. INHOFE. Mr. President, the distinguished Senator from North Dakota talked about star wars. He and I have had this discussion. There is, I guess, nothing to be gained other than to update it and put it in the context of today's debate, but it always offends me when we talk about star wars. Star wars is a phrase that was coined to make it look like this is something fictitious, something imaginary, when in fact there is a very real threat that is facing the United States of America, that of missile attack.

We know the Russians have their SS–25. They have the SS–18, which is a MIRV'd missile with a number of warheads capability, some 10 warheads. We know the Chinese have a missile that can reach us. We know the North Koreans are in the final stages of developing the Taepo Dong missile that originally was going to reach the United States by 2002. Now we feel, our intelligence community feels, it will be the year 1999.

We were on schedule from 1983 to protect ourselves against a missile attack, so that we would have protection, or a defense system in place, by the year 1999. We are not talking about star wars. We are not talking about even space-based launchers. We are talking about technology that is alive today. We have bought and paid for and have almost $50 billion invested in 22 Aegis ships that are floating now, paid for. They have launching capability. They can knock down missiles coming in. But they cannot knock down missiles coming in, ICBM's, that would come in from above the atmosphere. So we are trying merely to take that $50 billion that has already been spent, spend $4 billion more so they can reach above the atmosphere and knock down a missile that might be coming from North Korea.

We would have some 30 minutes' time between the time a missile is launched and our technology tells us when that was launched. I am an aviator. I flew an airplane around the world a couple of years ago. I used the global positioning system, that is satellites, for navigation all the way around. We can know what is happening around the world today. The technology is there.

So, if a missile is launched in North Korea, we know it is coming, we have 30 minutes to do something about it, but you cannot hit it because it is above the upper tier. All we need to do is spend about 10 percent more of the money that we have spent to be able to give the capability to knock it down. That is not star wars. I do not know where they come up with this $70 billion or $60 billion. The CBO came out and said it would cost about $31 billion to $60 billion more, over the next 14 years, if we installed and made a reality all of the proposed missile defense systems. We are not suggesting that. No one is.

The other day on this floor I said it is like going into a used car lot and saying I want to buy all the cars. You do not need to do that. You get the one that works, the one that fits your needs, and that takes care of it. That is the way we are in our missile defense system. I hate to use that as an example. I hate to be redundant by coming back over and over again, talking about it, but it has to be talked about.

When the distinguished Senator from North Dakota said we are talking about a budget next week about spending $11 billion more than the Pentagon wants—yes, I will be supporting that. Those of us who are conservatives over here, we want cuts in programs. We have to defend America. I was so proud of the chiefs of the four services testifying before the Senate Armed Services Committee, who came in and—this is the first time, I think, in the history of this country this has happened—they defied their own President and said we have to have $20 billion more in order to defend America. This is what they said.

They are not the top. There is the Secretary of Defense, appointed by the President; not the Chairman of the Joint Chiefs of Staff, John Shalikashvili, who is also appointed. These are the ones in charge of the four services, and it took a lot of courage. We do need it and it took courage.

"Where is the money going to come from for all these," the Senator said. If he had been listening, I outlined a program we have been talking about for several years now. The Heritage Foundation and others came up with it. If we take all our Government programs and not eliminate one program, but only expand each one by 1.5 percent, we would be able to balance the budget and have the tax cuts that we have talked about that Americans desperately need.

That is not realistically what is going to happen, but we could do it, and I would live with that in a heartbeat, a 1.5 percent increase in the defense budget. We have cut our defense budget 11 consecutive years. We are down now below the level where we were in 1980 when we could not afford spare parts. So that is significant.

THE DEFICIT

Mr. INHOFE. Mr. President, I am going to wind up here. I will only mention the last thing that was stated by the Senator from North Dakota in response to something the distinguish Senator from Texas, Senator HUTCHISON, said this morning.

When she started in business, she made it grow, and it was difficult. He said, "I bet you started with debt."

"Yes."

The difference is this: The business Senator HUTCHISON is talking about and the businesses that are started with debt have to pay that debt back. We do not, and that is the difference. Our debt just accumulates, and that is why we are looking at $5 trillion. The difference is, they pay it back, and we do not.

Getting to the comments made by the distinguished senior Senator from Kentucky—and I think so much of him; I have held him in very high regard—we just disagree philosophically.

When he talked about the deficit reduction programs of 1990 and 1993, yes, one of those was a Republican President. In 1990, it was George Bush. I disagreed with him at that time, and I even went on "Nightline" and talked about how we should not have caved in to the Democrat-controlled Congress. As a result of that one cave-in by President Bush, he lost the election.

The next one is 1993. In 1993—he can call it a deficit reduction plan—it was the largest single tax increase in the history of public finance in America or anyplace in the world, and that is not a quote from conservative Republican JIM INHOFE, that is a quote from Senator DAN MOYNIHAN, who was then chairman of the Senate Finance Committee.

So you look at these things in a different light. I would just say to those who are holding on to the past and those who do want to have business as usual and want to go back to and continue the social revolution of the middle 1960's, those days are behind us.

The last thing I will say, I hope that the Senator from Kentucky did not mean it when he implied that I impugned his integrity. All I was doing was quoting him, and regardless of how we interpret the quotes, I do not think he wanted me to quote his entire statement that was page after page.

But I will say this: These are the two resolutions we talked about. The Senator from North Dakota said that does not include the amendment by Senator NUNN. I think you are talking about the judicial review amendment. I suggest to you that, verbatim, that same amendment was offered and passed by Senator Danforth in 1994. So we have identical resolutions, and regardless of whether the distinguished Senator from Kentucky was quoted or misquoted, he still supported this back then, as the Senator from North Dakota did, and opposed it yesterday.

I yield the floor.

Mr. SIMPSON addressed the Chair.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. SIMPSON. Mr. President, I ask unanimous consent to proceed as in morning business.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

SOCIAL SECURITY

Mr. SIMPSON. Mr. President, I very much appreciate the presence of Senator DORGAN of North Dakota. He and I have had spirited discussions about Social Security, but we respect each other. I certainly do. I told him that. I told him whenever I had a pain in my bosom with regard to his activities, I shared it exactly and expressly with him, which I have always done. It is good that maybe the two of us have a moment to at least speak on an issue which surely cannot continue to go in this fashion, where two thoughtful people, as the Senator from North Dakota and I hope your loyal communicator here, are continually just totally in opposition while many who deal with the Social Security Program are telling us what is happening to the program and where the money goes.

So, if I may, in a series of questions, and then let us have the debate which we never had, because I will come to the floor and do my thing and leave and get on to the seven committees I go to, and the Senator from North Dakota comes to the floor and gives his good and able presentation and then leaves the floor.

Let us just, may I, go back to where you have been. You were on the House Ways and Means Committee in 1983. In 1983, Senator DANIEL PATRICK MOYNIHAN and company, a bipartisan group —I believe Senator DOLE was part of that group; I do not recall all of the participants—they came together knowing that Social Security was going to go broke, totally broke, and that it would go broke within a very short time. So they met in good faith, in a bipartisan way, and they put together a package, as you described—and I address the Chair, as my friend addressed yesterday—they put together a package which provided for increased payroll taxes, it provided for some benefit restructure, it did something with the "notch babies."

Remember, we had to deal with that one for about 12 years, and it was an absolute phony argument. Talk about the froth that goes with Social Security. We finally, when that vampire came out of the silk casket one more time, drove the stake through it and through the lining, hopefully, and that is the end of it. We do not hear any more about it from the National Committee for the Preservation of Social Security and Medicare or the AARP or any other group, because it is a dead issue, staked through the heart.

Yet, it created tremendous concern around America in what was happening. Because of the adjustment made in 1983, we found that the people who were born before that certain cutoff date had received much, much more than they ever should have received, far above the replacement rate of Social Security. We corrected that, and then had 10 years of background clutter and flak and shelling from these various groups. That is over.

But what we did do—and we must all use the same facts. We do not have to share the same opinion, but we must use the same facts. If anyone will remember, you need only go to the report where we were told that when we did what we had to do in 1982 and 1983 with Social Security, it would "save the system and make it solvent until the year 2063."

If there is anyone within the range of my voice who says that that was not the final package—what we did, our stuff, tough political stuff, that when we did that, we would "save the Social Security System till the year 2063." That is book, page and hymn number. Done. OK.

What has happened in the next 13 years? It is now 1996, and each and every year that the trustees issue their annual report, we are told that Social Security is going broke faster than we ever would have dreamed. And yesterday—just yesterday—we have the 1996 annual report. This is a summary. The actual report is here. It is quite extensive. My staff has been through it. I hope that all of us will enjoy this weekend reading. It is just a joy.

But I tell you what it does. It tells the truth, and I will tell you who is telling us the truth. The truth-tellers are Donna Shalala, a woman I have the greatest respect for and admiration; the truth-givers are Robert Rubin. He and I have not agreed on many things, but I admire him. Robert Reich, my fellow thespian—our line of work takes us away from this. We intend to "trod the boards" starting in Peoria. Robert Reich, a very splendid man. And then a citizen member of the trustees, Marilyn Moon; a citizen trustee, Stephen Kellison; and Shirley Chater, Commissioner of Social Security.

What are they telling us? They are telling us that Social Security will go broke, flat broke, in the year 2029, I say to my colleagues. So in 13 years, we have moved the doomsday date of Social Security forward from 2063 to 2029. Thirty-four years of this cushion has been eaten up in 13 years, and everybody knows that. There is not a soul in this Chamber who does not know that. There is not a soul downtown who does not know that.

Are we saying then, all is well? Of course, it is not well. Next year the trustees may come in and tell us that it will go broke in the year 2025. It has been happening in increments of 3, 4, 5 years a crack. That is reality.

Yesterday, in a spirited little bit of dialogue, I presented a chart, a most unique chart. Let me do it one more time. This is the Social Security Act. I did not write this. This is section 201(d) of the act.

If we are going to say that somehow we are looting, raiding, and pillaging, then please tell me, please, where is this taking place? If we mean looting or raiding to put the Social Security surplus into T-bills, which are then sold by the Federal Government, and the general revenue goes into the General Treasury, and when the interest on the T-bills comes out and is paid on the T-bills to those who own them, if that is looting or raiding, we need a new definition.

If we defeat the balanced budget amendment—which is what has occurred—is it not true that the Social Security surplus will still be put into T-bills? The answer is, it does not matter one whit whether we pass or defeat a Social Security amendment to exclude it. This will go on like Old Man River, and no one can stop it unless they wish to change this section.

So what does the section say? "It shall"—shall—"be the duty of the managing trustee to invest such portion of the trust funds as is not, in his judgment, required to meet current withdrawals."

Stop there.

There is a surplus in Social Security. Some say it is $29 billion, some say it is $69 billion. Forget what they say. It easily could get to $2 trillion by the year 2010. Then, in the year 2012, it starts its tremendous swan song. We all know that. The trustees are telling us that.

So it matters not whether the reserves get to $1 or $2 trillion. There is nothing that is going to change whether you pass a balanced budget amendment or not with regard to those funds.

I will go on quoting. "Such investments may be made only" —there is no option, no election process—"in interest-bearing obligations of the United States or in obligations guaranteed to as to both principal and interest by the United States * * * Each obligation issued for purchase by the trust funds under this subsection shall be evidenced by a paper instrument in the form of a bond, note, or certificate of indebtedness issued by the Secretary of the Treasury * * *"

I do not think that is too much mumbo-jumbo for all of us to deal with the issue of Social Security. That is what it says. That is what we do with it. That is what FDR and the Congress had in mind for us to do with it.

But now one more subsection. The Social Security Act, section 201(f). We must hear this. We must all follow the law. That is our duty. That is really maybe the only duty we have here, to follow the law and try to craft laws that are understandable to the American people.

"The interest on, and the proceeds from the sale or redemption of, any obligations held in the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund shall"—shall—"be credited to and form a part of the Federal Old-Age and Survivors Insurance Trust Fund and the Disability Insurance Trust Fund, respectively."

And then this, if we can all hear this. We do not have to agree. We do not have to fire up each other.

> Payment from the general fund of the Treasury to either of the trust funds of any such interest or proceeds shall be in the form of paper checks drawn on such general fund to the order of such trust fund.

That is what it says. And this section has been addressed in the report which came to us yesterday.

Let me read from the summary. This is the summary of the Social Security trustees. Here is a very precise, small paragraph that says this, if I can share this with my friend from North Dakota.

> In all trust funds assets that are not needed to pay current benefits or administrative expenses (the only purposes for which trust funds may be used) are invested in special issue U.S. Government securities guaranteed as to both principal and interest and backed by the full faith and credit of the United States of America.

That section is not changed one whit whether we include or whether we exclude Social Security from a balanced budget amendment.

Every penny, every single penny of the trust fund is left in exactly the same condition, whether you pass a balanced budget amendment or not.

It is most extraordinarily remarkable to suggest that we can "save" or "protect" Social Security from this by simply separating it from a balanced budget amendment.

Here is the language—I hope this is not a surprise. I want to be sure my colleague hears this language. If I could get the attention of my friend from North Dakota. I think it is very important that I share this language. I do not want it to be a surprise.

This is language from yesterday's report. I do not know if the Senator's staff has read this. My staff went through it during the night. I have to do this kind of work because they have made me the chairman of the Subcommittee on Social Security and Family Policy. I did not really seek that task, but like all of us who do good work—and the Senator does with his subcommittees and my good friend from Kentucky does with his—we try then to keep absolutely current. Here is the language from the report of yesterday.

It is very important. This, yesterday, became open to the American public. Here is what it says: "As noted in section 2(b), the portion of the OASI trust fund that is not needed to meet day-to-day expenditures is used to purchase investments, generally in special public debt obligations of the United States Government. The cash"—this is a quote from yesterday's 1996 annual report, page 78 and 79—"The cash used to make these purchases becomes part of the general fund of the Treasury . . .," ladies and gentlemen.

We all know that. We have known it since Franklin Delano Roosevelt wrote it and put it in section 201.

"The cash"—that is cash that is not needed. That means the surplus. That means the excess. That means whatever you want to call it. "The cash used to make"—I am quoting— "The cash used to make these purchases becomes part of the general fund of the Treasury and is used to meet various Federal outlays."

Does that mean that we have looted it or raided it or pillaged it? I think not, not when we are looking at the specific language of the act and the trustees' report.

I am continuing to quote.

> Interest is paid to the trust fund on these securities. And when the securities mature or are redeemed prior to maturity, general fund . . .

If I may get the attention of my friend from North Dakota. We never get to get this done. I am going to stay, too, because I think it is very important that he and I do not leave the Chamber until the American people know a little more than they do now about how we are looting or pillaging or raiding the Social Security system, which is not taking place under any scenario known to man or woman.

Quoting again.

> Interest is paid to the trust fund on these securities. And when the securities mature or are redeemed prior to maturity, general fund revenues are used to repay the principal to the trust fund. Thus, the investment operations of the trust fund result in various cash flows between the trust fund and the general fund of the Treasury. And currently the excess of tax income to the OASI trust fund over the fund's expenditures results in a substantial net cash flow from the trust fund to the general fund.

Finally the quote:

> Sometime after the turn of the century, as shown in the following subsection, this cash flow will reverse.

It is detailed in horrendous, horrendous factual figures. "This cash flow will reverse as trust fund security"—let me show you how it will reverse.

This is the annual operating balance of the Social Security trust fund in billions of dollars. If that is not a reversal from today's $60 billion surplus. I think it is more today—my colleague may disagree—and then it drops like a rocket through the basement. This is the annual operating balance of the Social Security in billions of dollars. In the year 2000 it is $1 trillion operating balance. This is the figure. This is from the Social Security Administration, 1995.

Mr. FORD. Will the Senator yield?

Mr. SIMPSON. I am happy to yield to the Senator.

Mr. FORD. Mr. President, we will say that everything my friend has said is accurate. I do not question his sincerity or his statements. We will take it from that point on.

Under statutory provisions, we cannot use Social Security funds as it relates to deficits, budgets—it is off budget. That is 13301. I am sure you are familiar with that. Now, in the balanced budget amendment, we are allowing, based on the statement of the senior Senator from Oklahoma yesterday, that this is a tax and an expenditure and, therefore, it ought to be part of the balanced budget amendment to the Constitution.

What is the underlying fear, as I listen to the Senator from Wyoming, and the underlying fear, I say to my friend, of this Senator is that if we allow the money to be used to reduce the deficit, and when we have the leadership on your side—not necessarily the majority leader but other leaders in the budgetary category—tell us how much of the Social Security trust funds will be used if the amendment to the Constitution is passed to balance the budget, then we accelerate your fear here of the reduction of the surplus in the Social Security.

If the Social Security continues on its merry way, as you have so aptly described, going downhill, will we not accelerate that if we use, as we were told in handwriting that we are going to use, $147 billion from the trust fund, at least the last 2 years, would that not make it depleted at a much earlier date?

Mr. SIMPSON. I always enjoy a spirited discussion.

Mr. FORD. This is not spirited.

Mr. SIMPSON. It will be before we finish.

Mr. FORD. I doubt it.

Mr. SIMPSON. I enjoy that because he and I, even as deputy assistant leaders for 10 years or near that amount—there was not anybody that I treated with more deference, or who dealt with me more fairly, honestly, and directly.

Where I am, Mr. President, is this: We are being told in this debate that these funds are being looted or raided. This may not be your debate, but this has been part of a continual debate about the looting or raiding or using this. I am saying, based upon the law of the United States, that any surplus in these funds is "used" and goes directly to the general fund, that there is no trust fund in that to be looted, to be raided. It is a series of great stack of IOU's. That is what we have here.

Mr. FORD. Mr. President, by "IOU's" you are talking about T-bills that are paid to constituents like you and me. We might be down to the E bonds or the smaller ones but the T-bills are the IOU's in there, and we have by law sold them or loaned that money to the Federal Government in return for T-bills plus interest to be paid at a definite period of time and the trustees are required to have that flow of money.

Am I correct in that?

Mr. SIMPSON. That is correct.

Mr. FORD. So you refer to—you say we are looting.

Mr. SIMPSON. I did not say that.

Mr. FORD. No, you quoted others saying "looting," and now the Senator from Wyoming is using the words "IOU's" for T-bills. It is just a matter of how you express yourself.

Mr. SIMPSON. I believe I have the floor, if you are asking an inquiry.

Mr. FORD. I am trying to give you my reasoning for the question.

Mr. SIMPSON. If you could, I would like that.

Mr. FORD. I understand, and you are doing well in the balcony right now. There are more giggles up there than on the floor.

Mr. SIMPSON. I am trying to do something for my grandchildren.

Mr. FORD. I have tried the grandchildren.

Mr. SIMPSON. If the Senator would pose the question, I would appreciate it.

Mr. FORD. Where was I? What I am trying to say is that if the constitutional amendment is passed and then ratified by the States, and then we amend the Constitution on the balanced budget amendment, and that would do away with statutory provisions as it relates to the trust fund, and therefore as those who have the responsibility of budgeting here in the Senate, to recommend to us as Senators, say they will use x billions of dollars of the Social Security trust fund to balance the budget. Do we do away with statutory law when we amend the Constitution?

Mr. SIMPSON. Mr. President, I cannot see any format where a constitutional amendment, which would take years to ratify—all we are doing is sending this to the States, if we did do it, and let them decide. I know of nothing in my background that would lead me to believe that we would have done anything with section 201 of the Social Security Act, either F or D or any provision therein.

Mr. FORD. But you would be able to use the funds held in trust, for example, T-bills, to balance the budget according to the budgetary professionals on your side.

Mr. SIMPSON. Mr. President, I will continue to direct my remarks to the Chair. The issue is that you cannot hide something that is $360 billion a year and pretend that you are doing something to "balance the books." That does not mean that we are then going to "raid" or "loot" the Social Security System.

The constitutional amendment does not in any way injure Social Security, because the trust fund goes into T-bills or notes or obligations regardless. Regardless, the Social Security money still has to be raised in the future out of general revenue. That is what the trustees are telling us.

Somebody said, what about the interest? I heard that one. Mr. President, 87 percent of the money that comes in comes from payroll taxes. About 9 percent comes from interest. That is all there is. In the year 2012, you will have to take the notes and go back to the Government and say, "There is not enough payroll money coming in this month. So we are here to cash these in." That is when the double hit comes that we described.

If you are trying to build a firewall to protect Social Security, this does not affect a Social Security firewall, which seems to be a very important thing to many, does not affect the long-term unfunded liability of the Social Security system. It does not alter the situation which requires a Social Security surplus to be put in Treasury bills.

May I just finish the trustees' quote? It is two more sentences. Then we can get on with the action here and see if we can stick with the trustees' report. Do not bother with what I am saying or Senator DORGAN or any of us. I am reading from the annual report of the trustees. Let me just finish it. "The cash flow will reverse as the trust fund securities are redeemed. To meet benefit payments and other expenditures, revenue from the general fund of the Treasury will be drawn upon to provide the necessary cash."

That is pages 78 and 79. The balanced budget amendment in no way changes this. In no way at all does the balanced budget amendment firewall for Social Security change that.

This is the way it is. And that is what we ought to be debating. I would be glad to stand here and do that.

(Mr. GRAMS assumed the chair.)

Mr. FORD. Mr. President, will the Senator yield for a little colloquy?

Mr. SIMPSON. Yes, sure.

Mr. FORD. I believe the Senator would agree that once a constitutional amendment is passed—and it will not take years to pass the balanced budget amendment—once a balanced budget amendment is passed and it amends the Constitution, then it is this body's responsibility to draft the legislation implementing that amendment, is that not correct?

Mr. SIMPSON. I am sorry. Repeat the last part, please, if you would.

Mr. FORD. Well, once an amendment to the Constitution has been ratified by the States, is it not the responsibility, then, of this body and the House to implement, by law, that amendment?

Mr. SIMPSON. That is correct.

Mr. FORD. Is there anything to prevent a majority from voting to include Social Security trust funds in the operation of the budget of the United States?

Mr. SIMPSON. Mr. President, there is no way to avoid doing anything to try to hide Social Security from the budget problems of the United States.

Mr. FORD. Mr. President, I asked a question, and I was chastised for not asking the question. What I want to know is, is there any way to prevent a majority vote from using the Social Security trust funds as a part of reducing the deficit for balancing the budget?

Mr. SIMPSON. I have no idea, Mr. President. For 17 years, this Senator has talked about the absolute certainty of pretending that something is off budget when it is $360 billion a year. You would have to ask a majority at that time. For me, it is absolutely absurd to believe that you do not talk about Social Security when you are trying to balance the budget of the United States of America, which today is $1.506 trillion, and $360 billion of that in there is called Social Security. If you want to leave it out, fine, but it will not be this Senator. I will not be here, but somebody can tap on my box and tell me how it went.

Mr. FORD. Knowing the Senator from Wyoming, he will not have to take his money with him. He can write a check where he is going.

I am very concerned that we talk about IOU's and they are really the bills. We talk about raiding and, no, we are not raiding. You cannot do that. But the Members of this body will implement an amendment to the Constitution. As the senior Senator from Oklahoma said yesterday, he objected to voting on the amendment to put up the firewall for Social Security because it was taxes collected and taxes expended. He wanted it in the balanced budget amendment.

I thank the Chair and my friend from Wyoming. I am going to leave the Senator. I am hungry.

Mr. SIMPSON. Mr. President, I do not believe that my good friend would check through the Senate ethics and financial records and find that I was listed among the millionaires of the Senate. So I think that that was a rather gratuitous shot.

Mr. FORD. How did the Senator take that?

Mr. SIMPSON. Now, Mr. President, if we can get back to the issue, which is the law, and stick with this and try to stick in this debate without going into emotion and who has the bucks and who does not have the bucks, and the rich versus the poor, and all the rest of it, and know that the Social Security Act is right here—(f) and (d). The trustees report is right here, and I am ready to move forward and discuss those and let us do that.

Mr. DORGAN. Will the Senator yield for a question?

Mr. SIMPSON. Indeed, certainly.

Mr. DORGAN. Let me clear up two things, and one is minor. The Senator is not accurate with respect to the issue of the notch. This is probably not relevant. That was not adjusted in the 1983 legislation. That was in the 1977 legislation, which was implemented in 1979. The 1983 legislation had nothing to do with the notch. The notch was created, as the Senator might remember, because of a cost-of-living adjustment in Social Security that was opposed in the early 1970's.

Subsequently, it was discovered that that cost-of-living adjustor, or formula, was inappropriate in 1977. Congress made an adjustment, effective 2 years ago. It was not in 1983. That was not such a big deal, but I wanted to make that point for those who are interested in the history of it.

Second, the Senator used a chart that is demonstrably false. If the Senator would put the chart back up, I am sure he did not do this deliberately.

Mr. SIMPSON. No; the dates are not correct. The dates here should be 2020 here, 2025 here, 2030, 2035, and 2040.

Mr. DORGAN. When I saw the chart, I knew one would not want to use a chart like that. The impression would be that there is a one green line and a lot of red lines. When I saw your dates, I realized they were not accurate.

Let me give the accurate numbers. Here will be the annual surpluses, not deficits. In the 1996, your chart had a red line, and that was in error. There will be a $71 billion surplus, then a $74 billion surplus, then $80 billion, $87 billion, $91 billion, and, next year, $97 billion.

In the year 2002, there will be a $103 billion surplus—that is, receipts into Social Security over expenditures. This surplus will continue out on into the two-thousand-teens, after which there will be red lines.

It would be appropriate to have a chart that shows the red lines, but you would not want to show that unless you showed very substantial surpluses. I wanted to make the point that if somebody saw that chart and started going, "We have big troubles," that is not accurate.

Mr. SIMPSON. Mr. President, I said that. I said that the reserves could easily be $2 trillion by 2010. I want the record to be absolutely correct. Nobody needed to palpitate on that.

Mr. DORGAN. There are so many charts showing the deep red canyons, and that chart should have showed surpluses.

Let us talk, for a moment, about these surpluses, and let us talk about this one. The year 2002 is the 7th year of a budget plan. In the year 2002, the Social Security system will have receipts of $103 billion that are greater than the need for expenditure in that year.

I will ask the Senator from Wyoming a couple of questions about that. The first question is, Is this an accident, or is this part of a deliberate strategy to have receipts that far exceed needs or expenditures in that year? Is that a deliberate strategy or an accident?

Mr. SIMPSON. Well, Mr. President, that is a deliberate strategy. The purpose was to build the reserves, and it was going to work beautifully, until this year, in the year 1996. Every 7½ seconds somebody turns 50, and 15 years from now, in the year 2012, there will be a dramatic drawdown. We ought to link the two cases together, because they are so dramatic that it is hard to describe.

Mr. DORGAN. I accept that. In many respects, I sat here and listened to a debate that, if you won, it was a debate we were not having. I accept much of what you say. But that is not the framework of the debate that we have ventured on the floor with.

Let me try to understand and describe the debate as between what you were describing earlier and what I am saying. If you are right—and I think you are, because I was part of the team, as you were, that said let us deliberately begin saving money, so that when the baby boomers retire, or the war babies, more appropriately, retire after the turn of the century, we will have built up some reserves. That was a deliberate, sober reflective action on the part of the Congress. I think it was an appropriate and courageous won.

Now, if in the year 2002, we have said we want $103 billion more to come in in Social Security than we are going to spend, and if in the year 2002 the majority's budget provides a balanced budget in 2002, but, they say, we are $108 billion short in their paper, but say to the American people we will balance the budget, is it not the case that they claim that they have balanced the budget because we have not had enforced savings of the $103 billion that year, which should have been above what is necessary to balance the budget if you are going to have an enforced national savings pool, but, in fact, they have taken that $103 billion and said, by the way, we are using it over here so we can say we balanced the budget.

Is that not a misuse of the term "double entry booking," to say we have a deliberate reserve and, at the same time, that we are using it here saying we have a balanced budget?

That is the major point of contention between us because we will, I fear, get to the end of this process and we will never have an enforced national pool of savings above an otherwise balanced budget that is used, or usable rather, when we need it when the war babies retire.

Mr. SIMPSON. Mr. President, that would be a good argument if we were saying that we were going to "use it to reduce the deficit." But it will have already been used because the minute there are surpluses in the Social Security trust funds, they are invested in T bills or notes or whatever, and all the money goes to the general fund. If we can get to the point where you and I are, will you please describe to all of us what you mean when you are describing "looting and raiding" of the trust fund?

Mr. DORGAN. Exactly. The year 2002 would be a year in which the Federal Government would have balanced its budget plus had a $103 billion additional revenue above the balanced budget as an enforced pool of national savings to be saved for the time we are going to need it. That would comport with what the idea was in the early 1980's about creating a national pool of enforced savings. The scheme that we now have, I respectfully say to the Senator from Wyoming, means that we will never have a pool of enforced national savings to meet the Social Security needs. Instead, we will simply have a regressive payroll tax added to the general revenue stream to be used for whatever other purpose it is used for.

Mr. SIMPSON. Mr. President, may I ask a question of the Senator from North Dakota? How does the Senator from North Dakota propose to avoid looting, or raiding? Does that mean it will not be in T bills?

Mr. DORGAN. No.

Mr. SIMPSON. What does it mean?

Mr. DORGAN. You are not winning a debate that we are not having. I am not debating whether or not it is invested in T bills. Of course it is. Your basic contention has been because it is invested in T bills it does not exist. I have asked the question. "Gee. If you purchase a savings bond for your grandchild for Christmas, are you going to tell him when he opens it that, 'By the way, what you see does not exist?'" No. It is an asset. That asset exists in the trust fund.

My point is you will not have saved $103 billion in the year 2002 that you promised to save if on the budget side of things you take the $103 billion over and say, "Well, we are $103 billion short of balancing the budget generally speaking but we will count this revenue against it in order to say to people that we balanced the budget"; ergo, you have not, in my judgment, created any kind of national pool of enforced savings to meet the future needs of Social Security.

That is the point.

Mr. SIMPSON. Mr. President, how do we achieve this result—by suggesting then that we defeat the balanced budget amendment?

Mr. FORD. We do not.

Mr. SIMPSON. That is what you have been saying; that we can avoid this result by defeating a balanced budget amendment.

Mr. DORGAN. Excellent question. Let me tell you exactly how you achieve the result. The result is achieved specifically by voting for the alternative balanced budget amendment that we attempted to offer yesterday that we offered previously, that was voted against by the Senator from Wyoming, that is this: It is identical in every respect to the constitutional amendment to balance the budget brought to the floor with one exception; that is, section 7. Section 7 says you will not count as revenues or expenditures the Social Security trust fund and Social Security account, which means that you would balance the budget and say, "All right. Now the budget is in balance plus what we have is in 2002, or 2005, whatever the year is, plus we have $103 billion extra money that came in above the balanced budget. That is the only way you develop a forced pool of national savings. In the absence of that, what you ought to do is get rid of this payroll tax. If you are not going to do what you said you are going to do, why should workers and business not be paying it?

Mr. SIMPSON. Let me ask, Mr. President. And I appreciate your correcting us and getting the correct dates.

Mr. DORGAN. That was a pretty big correction, actually.

Mr. SIMPSON. It is not a correction.

Mr. DORGAN. We are not saying that the sky is falling.

Mr. SIMPSON. Not to give too much credit, but simply these dates are incorrect, 2020, 2025, 2030—you know those facts. I know those facts.

Mr. DORGAN. That chart is a fundamentally improper disclosure of what is happening. You would have to show substantial green surpluses on that same chart.

Mr. SIMPSON. This is from the Social Security Administration, and it is listed in their way as to what is going to happen to this. This is 2020. There is 2025. This is 2030. There is 2035, and 2040.

Mr. DORGAN. There are four categories of green, and you just skipped 20-some years of good news to get to the bad news. There is bad news. We are not disagreeing about that.

Mr. SIMPSON. Let me ask a question. You have used a figure of $60 billion in your debate about surplus?

Mr. DORGAN. It is $69 billion.

Mr. SIMPSON. The accumulated surplus to date is $496 billion to date. So that is rather an incorrect figure. You have used the figure.

Mr. DORGAN. What is incorrect?

Mr. SIMPSON. The accumulated surplus to date in Social Security is $496 billion, and it is going to go way beyond those figures in the outyears. It is going to go to $1.1 trillion—not $1.2 billion. It is going to go to $2 trillion.

Mr. DORGAN. We are not having a debate; it is a misunderstanding. These are not cumulated numbers. These are yearly numbers. I said for this year, $69 billion. When you are saying that is wrong, I do not understand.

Mr. SIMPSON. The cumulated surplus in Social Security is $496 billion. We need to know that. You have listed an annual figure of $60 billion or $69 billion. The present surplus, cumulated surplus, in Social Security today is $496 billion headed for maybe $2 trillion in the year 2010. Then a precipitous decline in accordance with the charts of the Social Security Administration.

Mr. DORGAN. There is no disagreement about that. I do not understand the point. The point I was making is that this year we are collecting regressive payroll taxes from workers and businesses, because you voted for it and I did, believing that it was done to collect more than we needed this year in order to save it for the future. My only point is, if it is used to offset for other revenues that we should have made, or other expense cuts we should have made, then it is not saved. If it is not saved, why are we collecting it? Why not say to the people, "We will not collect it to misuse it; keep in yourself"?

Mr. SIMPSON. Mr. President, I just hope that perhaps somewhere into the national debate will come pages 78 and 79 of this year's 1996 annual report, which is so clear that there is no Social Security trust fund. There is nothing in the way of a pool other than the IOU's. These are IOU's, and the entire cash, when we sell them, goes to the general fund.

Is that what the Senator means when he describes "looting or raiding?" Please tell me, because these are two terms that have been used by the Senator from North Dakota day after day after day, that we are "looting and raiding." I want to know what the Senator means when he says "looting or raiding." Does "looting or raiding" mean that we should not be putting it into T bills? Does "looting or raiding" mean that we should not see the money go into the general fund, as is the law of the United States? What is, for this Senator "looting or raiding"?

Mr. DORGAN. Let me try it again. I just refuse to let you win a debate we are not having. We are not having a debate.

Mr. SIMPSON. I am trying to inform the national citizens as to what is happening here.

Mr. DORGAN. I understand. Let me try to explain it. I will do it again. I have done it before.

Mr. SIMPSON. Could you use the term "looting or raiding" and define what that is?

Mr. DORGAN. Let me explain it to you. In the year 2002—the Senator from Wyoming, I, and others voted to decide that we wanted to collect more money than is necessary in the year 2002 for the funding of the Social Security program—not a little more; a lot more; $103 billion more than is necessary to fund that program. We said we want to do that because we want to be responsible in order to save it for the future.

It is invested in Treasury bonds. The Senator is correct. If he wants to have a debate about that, he cannot debate that with me because I do not contest that. It is invested in Treasury bonds. But the $103 billion ought to represent in 2002 $103 billion of revenue above a balanced budget. And it does not, because the Senator from Wyoming and his friends support a budget scheme that says we will show up about $108 billion short in the year 2002, and we will use the Social Security trust funds to make up the difference.

If that were in the private sector, they would call it looting. But you could call it whatever you want to call it. Abraham Lincoln said, "Calling a horse's tail a leg doesn't make it a leg," but you can describe this however one wants to describe it. I simply maintain that if you decided and I decided we should have a pool of enforced national savings to meet the needs of the future, that in 2002 you cannot accomplish that if you have used the same money in order to balance the general operating budget of the United States. That is the point, a very simple point.

I would say to the Senator from Wyoming I understand—I have listened patiently—I understand the presentation he made. He and I do not disagree on a lot of this. The Social Security system is now healthy. I disagree, sometimes, when I hear the Senator and others talk about the "Social Security system is going broke." In a lot of ways I lament that that language is used because it is true that a third of a century from now it is going to be out of money, but that is a third of a century from now.

It is also true we are going to make some changes. The fact of the matter is, the Senator from Wyoming is a leader: he is a leader on this issue. He has proposed substantial changes to secure the financial well-being of the Social Security trust fund. The Congress must make changes. But here is the situation. He and I do not disagree about the circumstances. We have surpluses; they will continue to build into the two-thousand-teens, after which they will diminish. In the year 2029, we will be out of money. Adjustments will have to be made long before then to solve this in the long term. The Senator is absolutely correct about that.

The disagreement we have is in a budgeting scheme that says let us treat the Social Security funds as if they are no different than any other funds. I would say, my colleague has made the point, I think, that the Democrats have done that and the Republicans have done it. The answer is, yes, they have. And I have disagreed no matter who does it. Now they want to enshrine it in the Constitution. That is the difference.

Mr. SIMPSON. Mr. President, I want to be sure that the American people know that this is not a partisan issue. So, when we say, "My friends on this side of the aisle," the friends on this side of the aisle joined with a remarkable number of friends on the other side of the aisle, a total of 64 of us who really think we ought to do something with the balanced budget amendment and do not feel we are going to do anything to the Social Security trust fund, because we know we cannot do anything to the Social Security trust fund because it is all invested and the money comes out of the general revenue. I guess the debate has to end there. Unless—and I am going to come back to this question. I would like, honestly, an answer.

I want to know what—if we are going to use the term "looting and raiding," the American people, I think, are being overly excited by that term. There is no need to use a term like "looting and raiding," because we do not loot or raid. We are putting it where the law requires it to go, and nothing more. So to say that it is looted or cut, there was never any suggestion that these dollars would not have to be raised by general revenue in the year 2012, or 2005. They come from payroll taxes and revenue. So we are only arguing about how the deficit is measured, not about the disposition of Social Security trust funds.

Mr. DORGAN. Will the Senator yield for a question on that?

Mr. SIMPSON. I think there is no reason to portray the balanced budget amendment as a place to talk about Social Security trust funds. They do not fit.

Mr. DORGAN. Will the Senator yield for one brief question?

Mr. SIMPSON. Yes.

Mr. DORGAN. Is it not the case, then, that in the year 2002 the majority party's budget plan is either $108 billion in deficit or it is balanced by using the $103 billion in Social Security funds? Is that not the case?

Mr. SIMPSON. Mr. President, there was another one, so we get away from the partisan aspect if we can.

Mr. DORGAN. That is not a partisan question. I am just asking you.

Mr. SIMPSON. I heard it that way. You know that. But let us look at the Chafee-Breaux proposal.

Mr. DORGAN. Same thing. Same thing.

Mr. SIMPSON. Mr. President, 46 of us, 24 Democrats and 22 Republicans, voted for that. I thought that was a very responsible thing. And whatever you are talking about in the national budget, all has to do with balancing or not balancing the national budget—everything in the stack.

Mr. DORGAN. But that is not responsive to my question. The Chafee-Breaux budget falls short of balancing the budget, if you are going to actually save the Social Security trust funds. And so does President Clinton's budget. They are not in balance, just as the majority party budget is not in balance.

So my question is, is there a balance? We are using the Social Security trust funds improperly, or they are not in balance, they fall $108 billion short of being in balance.

Mr. SIMPSON. Whether we call it balanced or unbalanced in the year 2002, whether under the Republican plan or President Clinton's plan or Chafee-Breaux, Social Security moneys will be in exactly the same place. That is what I am saying. It will be in the form of Treasury bills or notes backed by the full faith and credit of the United States. So if you want me to say it will be balanced, fine. If you want me to say it will be unbalanced, fine. But the issue is, this will go on like "Old Man River," and all America ought to know that.

Mr. DORGAN. Will the Senator yield to one more point? I think we get to the point where we disagree. My point is the budget that you support, the budget the President has offered, and others, fall short of balancing the budget by the equivalent amount of the Social Security surpluses that we deliberately decided we wanted to receive and save. That is the point I made.

Look, let us finish because I know the Senator from Massachusetts is waiting, but——

Mr. SIMPSON. If we want to use the phrase of "deliberately saved" and so on, I have no problem with those terms. What I have a lot of problem with is the continual reference to "looting and raiding," because that is not true.

Mr. KENNEDY addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts.

HEALTH CARE REFORM

Mr. KENNEDY. Mr. President, today is another unfortunate setback for the cause of health reform. It appears that the opportunity for meaningful reform has been lost again. Barring a last-minute change of heart and mind and strategy, Senator DOLE will be leaving the Senate next Tuesday without exercising the leadership needed to make even the modest consensus reform in the Kassebaum-Kennedy bill a reality.

I regret very much that "Dr. Dole" is prescribing a poison pill for this consensus legislation. Medical savings accounts do not belong in this legislation. Several reasonable compromises on that highly controversial issue have been offered and categorically rejected. The full-blown MSA proposal demanded by Republicans is a death sentence for this legislation. I intend to oppose it as vigorously as possible, and if it should even reach President Clinton's desk, I am confident he will give it the veto it deserves.

It is clear House Republicans are pursuing a their way or no way strategy, and Senator DOLE has chosen to be a part of it. With his departure from the Senate next week, the chance for any health insurance reform this year is slim.

Millions of Americans will suffer unnecessarily because Senator DOLE has put gridlock ahead of the needs of the 25 million working families who would benefit from the consensus reform in the original bill, before it was poisoned by the MSA bill.

Senator DOLE left the impression yesterday that meaningful negotiations for an acceptable compromise were taking place and that this issue was close to being resolved because Republicans were open to changes in the MSA provisions to accommodate Democratic concerns. It now appears, however, that the intransigence of the House Republicans has prevailed.

The Kassebaum-Kennedy bill was passed 60 to 0 by the Committee on Labor and Human Resources and 100 to 0 by the full Senate. The bill was entirely noncontroversial, and it makes no sense to saddle it with this last-minute killer controversy. If the Kassebaum-Kennedy bill were passed by Congress today, it would be signed by the President tomorrow.

This bill has had two unanimous bipartisan votes in the Senate, first in committee and again on the Senate floor. Yet it is going to die because of the Republicans' decision to force it to swallow this bitter poison pill.

Under the Republican plan, medical savings accounts could be sold to every employee of every business in America with more than 50 workers, approximately two-thirds of all workers, more than 80 million employees, and within a few years, they will be extended to everyone else. Some compromise.

A massive untested right wing health idea is being forced on the country. Any such massive plan is irresponsible and unacceptable.

Reasonable compromises are possible, but what House Republicans want is capitulation, not compromise.

Not everyone agrees that medical savings accounts are a bad idea, but surely we should agree that they ought to be tested first before being imposed full-blown on the American people.

We all know what is going on. MSA's reward a handful of insurance companies that have contributed lavishly to Republicans in Congress, and they profit handsomely from the worst abuses of the current system.

The Golden Rule Insurance Co., with $1.5 million in campaign contributions, is the political engine driving this proposal. The company does business selling MSA's, and it will profit immensely from the Republican plan. Yet, the company refuses to share the data on its plans with impartial analysts at the American Academy of Actuaries and other bodies. The company, and its Republican allies, are thumbing their nose at the public interest and asking the American people to buy a pig in a poke.

Why should the taxpayers be asked to subsidize such a scheme with billions of dollars in lavish tax breaks that will go primarily to the wealthy? Medical savings accounts tax the sick for the benefit of the healthy and wealthy. They discourage preventive care by enticing the healthiest Americans to leave their current broad insurance pool. MSA's violate a bedrock principle of health insurance: Broad-based coverage to spread the risk of illness among large numbers of citizens in order to make insurance premiums affordable for those who need health care.

Adoption of MSA's will raise premiums for everyone else and threaten the very existence of conventional health insurance. It will cost the Treasury billions of dollars that should be used to expand health insurance coverage or go for deficit reduction.

They represent a risky and unnecessary experiment that threatens the health insurance coverage of every American family. It would be reckless to include any such full-blown version of medical savings accounts in this bill. The Senate has already rejected this approach, and President Clinton will veto any bill that tries to impose this untried and dangerous idea on the country.

The Republicans have also refused to appoint conferees to a fairly balanced conference. Despite repeated requests, they refuse to meet with Democrats for serious negotiation. They have ignored four separate compromises that we have offered to allow a fair test of medical savings accounts without endangering the tens of millions of Americans who depend on their current insurance.

The Kassebaum-Kennedy bill contains a number of key consensus reforms that virtually everyone agrees on. It guarantees that no American will be denied health insurance or be saddled with exclusions for preexisting conditions because they change their job or lose their job or because their employer changes insurance companies. It provides help to small businesses that want to join together to negotiate lower insurance premiums of the kind that only large corporations can obtain today. Those reforms deserve to pass, and they will pass if Senator DOLE relents.

When Senator DOLE leaves the Senate next week, he can take his health insurance with him. Every American should have the same right. Many times in recent weeks, Senator DOLE has said he wants this bill to pass. For months, Senator DOLE has criticized President Clinton for saying one thing and doing another. Senator DOLE should look in the mirror this weekend and see what he has done.

Mr. President, I yield the floor.

Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama.

TRIBUTE TO SENATOR BOB DOLE

Mr. HEFLIN. Mr. President, the political world was stunned a few weeks ago when our colleague, Majority Leader BOB DOLE, announced his resignation from the U.S. Senate after 36 years of representing his native State of Kansas. In his emotional and moving farewell speech, he said he wanted to campaign for the Presidency "with nothing to fall back on but the judgment of the people and nowhere to go but the White House or home."

Senator DOLE was elected to the U.S. House of Representatives in 1960. He came to the Senate in 1968, where he served as the Republican leader for a record 11 years. He ran for Vice President with President Gerald Ford in 1976 and ran for the Republican Presidential nomination in 1980 and 1988. He has been a fixture of our National Government for 36 years. Regardless of what we might think of his decision to give up his life's work for an attempt at the White House, we all agree that BOB DOLE has been an outstanding Senator and leader. He is a master legislator.

Norman Ornstein of the American Enterprise Institute has called Senator DOLE one of the five most significant Senators of the last half of the 20th century. That sentiment has been echoed by the Brookings Institute's Stephen Hess, who labeled him "somebody who could get things done." And in Washington, especially in the unwieldy Senate, this is no small compliment.

I have had the pleasure of serving with BOB DOLE for nearly 18 years and know him to be an excellent legislator with an amazing ability to reach solutions to difficult and controversial issues. He is an honest and forthright man of integrity. Had he and the President been able to negotiate in good faith last fall and winter during the heated budget debate, I have no doubt they could have reached a solution which would have been good for our country and our future. Unfortunately, the House leadership would not agree to such an effort.

Despite his legislative prowess, his major strengths lie in the force of his personality and his style. His power comes from his knowledge, from hard work, from his humor and from his strong friendships on both sides of the aisle, and from his rare moral authority. He does his own work and does not delegate much.

He comes from a humble background, the son of a cream and egg station operator in Russell, KS. After serving in the Army during World War II, where he suffered grave and lasting wounds, he spent 8 years as a county attorney dealing with people from all stations in life. He dealt with bankers and country club members, but also with garage mechanics and feed store clerks. He has exhibited a comprehensive understanding of America as a leader for the interests of the average and disadvantaged Americans.

As Senator BOB DOLE—a true giant in the history of the Senate—leaves this body, he holds so dear, to pursue the Nation's highest office, I join my colleagues in saluting him.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

OFFICE OF PIPELINE SAFETY REAUTHORIZATION

Mr. LOTT. Mr. President, I rise today to comment on a recent action by the Senate's Committee on Commerce, Science, and Technology. In a completely bipartisan manner, the reauthorization for the Office of Pipeline Safety (S. 1505) was approved with a substitute amendment offered by Senator PRESSLER. The compromise amendment language was crafted through the leadership of Senators PRESSLER and EXON. It was also cosponsored by Senators STEVENS, HUTCHISON, INOUYE, FORD, BURNS, and BREAUX. It is now ready for consideration by the full Senate.

The negotiations involved many, and included various offices within the Department of Transportation. The major trade organizations ranging from the American Gas Association, the Interstate Natural Gas Association of America, the American Petroleum Institute, the American Public Gas Association, to the Association of Oil Pipe Lines participated as well. Valuable Assistance was also received from the dedicated staff of the Congressional Research Service. Input was also received from state and environmental groups like the National Association of Pipeline Safety Representatives, the Natural Resource Defense Council, and the Environmental Defense Fund. The negotiations were both challenging and productive. I want to compliment the staff from the Department of Transportation for their constructive and collaborative participation.

The major stakeholders are all in agreement—the substitute amendment is sound public policy. And this week the Commerce Committee also spoke when it unanimously approved the substitute. Senator PRESSLER has produced a real consensus which respects the interests and concerns of all the stakeholders and furthers the safety of America's interstate natural gas lines.

The natural gas industry is important to America and I want to share with my colleagues just a few statistics to explain why the full Senate needs to act on this legislation; First, 160 million Americans live in gas heated buildings; second, $10 billion is spent annually by America's gas industry for construction that uses enough pipe to almost circle the globe; third, America's natural gas system consists of over 1.2 million miles of pipe or enough to circle the earth 48 times; and fourth, there are over 600,000 Americans working in all aspects of this industry. The numbers speak for themselves—the natural gas industry is big business. It impacts many, and it has a huge presence in America.

I want to be clear; this legislation will codify a limited and targeted risk assessment, cost-benefit regulatory approach. It is consistent with both the Administration's principles and the goals of Congress. The bill's approach is a practical and responsible arrangement and is fully supported by the Office of Pipeline Safety. This legislation will also permit demonstration projects where flexibility from the one-size-fits-all mentality is permitted in a way which mandates that safety and environmental concerns must equal or exceed existing standards. It opens avenues for creativity, but demands strict accountability. This legislation will fund the Office of Pipeline Safety into the next century.

In response to past criticism, I also want to be clear; this bill does not alter the basic statutory structure for the Federal Government's oversight of the interstate industry. The new steps in the regulatory process will cause neither undue delay nor excessive costs. In fact, they are designed to provide better tools and management indicators for informed rulemaking in the future. This front end analysis will make government oversight more effective and efficient. Also the Secretary of Transportation has specific authority to ensure that the demonstration projects maintain existing safety standards. And finally, the new funding levels reflect the amounts stated by administration officials during the Commerce Committee's hearing.

This bill recognizes that new approaches to pipeline safety are possible without jeopardizing either the public's safety or the environment. It allows sound and the most up-to-date science, as well as common sense and flexibility when standards are established. More importantly, the process codified in this bill will be accomplished by building cooperative consensus through real consultation with all affected parties to avoid lengthy wasteful litigation.

The bottom line displayed by the modified bill, through the good work of Senators PRESSLER, EXON, HUTCHISON, and BREAUX, is that government and industry can produce a genuine natural gas partnership that is good for all Americans. I eagerly look forward to seeing this bipartisan consensus bill considered by the full Senate as soon as possible.

Let me conclude by saying safety on America's interstate natural gas pipelines will be enhanced by this legislation. I also want to underscore that environmental protection along America's pipeline right-of-ways will also be enhanced.

THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business Thursday, June 6, 1996, the Federal debt stood at $5,139,284,273,926.72.

On a per capita basis, every man, woman, and child in America owes $19,392.31 as his or her share of that debt.

MESSAGES FROM THE HOUSE

At 10:55 a.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3562. An act to authorize the State of Wisconsin to implement the demonstration project known as "Wisconsin Works."

The message announced that pursuant to the provisions of section 389(d)(2) of Public Law 104-127, the Speaker appoints the following as members from private life on the part of the House to the Water Rights Task Force: Mr. Robert S. Lynch of Phoenix, AZ, and Mr. Bennett W. Raley of Denver, CO.

MEASURE REFERRED

The following bill, previously received from the House of Representatives for the concurrence of the Senate, was read the first and second times by unanimous consent and referred as indicated:

H.R. 2160. An act to authorize appropriations to carry out the Interjurisdictional Fisheries Act of 1986 and the Anadromous Fish Conservation Act; to the Committee on Commerce, Science, and Transportation.

MEASURES PLACED ON THE CALENDAR

The following measure, previously received from the House of Representatives for the concurrence of the Senate, was read the first and second times by unanimous consent and placed on the calendar:

H.R. 3235. An act to amend the Ethics in Government Act of 1978, to extend the authorization of appropriations for the Office of Government Ethics for three years, and for other purposes.

MEASURE READ THE FIRST TIME

The following bill was read the first time:

H.R. 3120. An act to amend title 18, United States Code, with respect to witness retaliation, witness tampering, and jury tampering.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-574. A joint resolution adopted by the Legislature of the Fourth Olbiil Era Kelulau; ordered to lie on the table.

"H.J. RES. NO. 4-112-14

"Whereas, the late U.S. Commerce Secretary Ronald H. Brown was born in Washington, D.C. on August 1, 1941; and

"Whereas, the late Commerce Secretary Brown was married to Alma Arrington and had two children, Tracey and Michael; and

"Whereas, in 1962, the late Commerce Secretary Brown received a Bachelor of Arts degree from Middlebury College in Vermont; and

"Whereas, from 1963 to 1967, the late Commerce Secretary Brown served in the U.S. Army as a Captain; and

"Whereas, in 1970, the late Commerce Secretary Brown received a Juris Doctor degree from St. John's University School of Law in New York; and

"Whereas, in 1972, the late Commerce Secretary Brown taught Community and Poverty law as a visiting professor at the State University of New York; and

"Whereas, from 1976 to 1979, the late Commerce Secretary Brown worked as the legislative chairman of the Leadership Conference on Civil Rights; and

"Whereas, in 1980, the late Commerce Secretary Brown became the chief counsel to the U.S. Senate Committee on the Judiciary; and

"Whereas, in 1981, the late Commerce Secretary Brown became a partner in the Washington, D.C. law firm of Patton, Boggs and Blow; and

"Whereas, in 1988, the late Commerce Secretary Brown acted as the senior political advisor to the Dukakis—Bentsen Campaign for President; and

"Whereas, in 1989, the late Commerce Secretary Brown became Chairman of the Executive Committee of the Democratic National Party; and

Whereas, in 1993, after these years of distinguished service to the United States of America, to the Democratic National Party, and to his community, Ronald H. Brown was appointed by United States President Bill Clinton to be Secretary of Commerce; and

Whereas, the late Commerce Secretary Brown achieved the utmost respect as a member of President Clinton's cabinet; and

Whereas, the people of Palau are deeply saddened by the unfortunate and untimely death of the late Commerce Secretary Brown; now therefore, be it

Resolved, That the House of Delegates of the Fourth Olbiil Era Kelulau, Fourteenth Regular Session, April 1996, the Senate concurring, hereby expresses condolences to the family, relatives and colleagues of the late United States Secertary of Commerce Ronald H. Brown for his tragic and untimely death; and be it

Further resolved, That certified copies of this joint resolution be transmitted to Charge d'Affairs Richard Watkins, the President of the Republic of Palau, and the Speaker of the House of Delegates and the President of the Senate of the Fourth Olbiil Era Kelulau.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MURKOWSKI:

S. 1851. A bill to convey certain Public lands in the State of Alaska to the University of Alaska, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. JOHNSTON:

S. 1852. A bill to bar class action lawsuits against Department of Energy contractors for nonphysical injuries, to bar the award of punitive damages against Department of Energy contractors for incidents occurring before August 20, 1988, and for other purposes; to the Committee on Energy and Natural Resources.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MURKOWSKI:

S. 1851. A bill to convey certain Public Lands in the State of Alaska to the University of Alaska, and for other purposes; to the Committee on Energy and Natural Resources.

THE UNIVERSITY OF ALASKA LAND GRANT ACT

• Mr. MURKOWSKI. Mr. President, today I introduce legislation in support of higher education in the State of Alaska.

Mr. President, the University of Alaska is a land-grant college without the land. In 1915, Congress reserved for Alaska's land-grant institution potentially more than 250,000 acres in the Tanana Valley, proceeds from the sale and development of which—like other land grant institutions—would help finance the operation of the school. Under the terms of the measure, written by Delegate James Wickersham, the college was to receive surveyed and unclaimed Section 33 in an area of about 14,000 square miles between Fairbanks, AK in the north and the foothills of the Alaska Range in the south, this was in addition to the main campus of about 2,250 acres 4 miles from Fairbanks.

However, this large Tanana Valley land grant never materialized. For decades, almost all of the land in the Tanana Valley (like the rest of Alaska) remained unsurveyed and therefore unavailable. As late as the 1950s, only 0.6 percent of Alaska had been properly surveyed under the standard rectangular system, and a territorial report concluded that at the speed Alaska was being surveyed, it could take as long as 43,510 years to complete the job. Due primarily to this incredibly slow pace of Federal land surveys, Alaska's land grant institution received only a fraction of the land Congress reserved for it in 1915; in addition to its 2,250 acre campus, the University of Alaska received less than 9,000 acres out of a reservation created for it totaling approximately 268,000 acres.

To partially remedy the situation, Congress granted an additional 100,000 acres to Alaska's land grant college in 1929, but even with this additional grant, the total was less than half of the original acreage authorized in 1915.

Further efforts to increase the size of Alaska's higher education Federal land grant were made from the 1930s through the 1950s. Several bills were submitted to Congress that would have reserved up to 10 million acres for Alaska's land grant college, but strong opposition, primarily from the Department of the Interior, doomed the effort.

Traditionally, the size of land grants were most often determined by a State's population, not by its area. Nevertheless, some of the last western States were given generous grants despite their sparse populations. For instance, Oklahoma and New Mexico each received about 1 million acres to support higher education. Alaska received less land specifically dedicated for the support of higher education than all but one of the contiguous States. Among the 48 States which had received Federal land or land scrip to establish land grant colleges, mining schools, teachers' colleges, and state universities, only Delaware received fewer acres than Alaska. Thus, after statehood, Alaska in 1959 was in an anomalous position. While the State had received more land and a greater percentage of land from the Federal Government than any other western State, it ranked next to the bottom of the list in the amount of Federal land it had received for higher education.

Over the next 15 years, controversies regarding Alaska land matters continued to boil, as the public domain in Alaska was carved up for the first time. In 1971, Congress passed the Alaska Native Claims Settlement Act, reserving 44 million acres for Alaska Natives and opening the way for the construction of the Trans-Alaska Pipeline. The pipeline marked the start of a national conservation battle in the 1970s over the future of Alaska's lands, which culminated in 1980 with the passage of the Alaska National Interest Lands Conservation Act, a measure which added 104 million acres to the State's conservation systems.

Now, with many of the major Alaska land issues of the 1970s and 1980s settled, supporters of the University of Alaska have encouraged State and Federal officials to reexamine the question of the university's land grant and consider granting the school additional lands in order for it to "achieve parity" with higher educational systems in other States.

The legislation I am introducing today would achieve this. It would grant the University up to 350,000 acres of Federal land. It would do this on a matching basis with the State of Alaska for up to a total of 700,000 acres split equally between the state and Federal Government. In other words if Alaska were to grant the University 200,000 acres of State land, the Federal Government would grant them to 200,000 acres.

I believe this is a fair settlement to this issue. It addresses some of the needs of higher education in my State of Alaska and allows the State and the Federal government to participate in the fix equally.•

By Mr. JOHNSTON:

S. 1852. A bill to bar class action lawsuits against Department of Energy contractors for nonphysical injuries, to bar the award of punitive damages against Department of Energy contractors for incidents occurring before August 20, 1988, and for other purposes; to the Committee on Energy and Natural Resources.

THE DEPARTMENT OF ENERGY CLASS ACTION LAWSUIT ACT

• Mr. JOHNSTON. Mr. President, over the past 6 months, the Subcommittee on Oversight and Investigations of the Committee on Energy and Natural Resources has, under the able direction of Senator THOMAS, conducted an investigation into the management and cost of class action lawsuits against the contractors that operated the Department of Energy's nuclear weapon plants.

Senator THOMAS' investigation uncovered a serious abuse of the legal system that is costing the taxpayers tens of millions of dollars in lawyer's fees each year and could result in hundreds of millions of dollars in judgments or settlements even though there is no evidence and, in most cases, no claim that anyone was physically harmed by the operation of these plants.

The problem results from the peculiar legal circumstances under which these cases are brought. Normally, people suing the government for injury must bring their suits under the Federal Tort Claims Act, which affords the taxpayers certain protections. Courts cannot award punitive damages against the Government. Suits must be grounded on specific claims of wrongdoing, not generalized grievances. The Government cannot be subjected to a jury trial or held liable for actions stemming from discretionary policy decisions made by Congress or Executive Branch officials.

None of the protections of the Federal Tort Claims Act applies in these cases because the suits are not brought against the Government itself, but against its contractors. Yet, under the Price-Anderson Act, the Government indemnifies the contractors against any liability or legal costs arising out of the operation of the Department of Energy's nuclear weapons complex. The contractors defend the suits, without the benefit of the Government's normal protections, but the Government pays all the bills.

In sum, we have divorced the power to defend these suits, which rests with the contractors, from the obligation to pay, which remains with the Government. The Government is the real party in interest in these cases, but it has been stripped of all of the legal protections it has in other cases.

Today, I am introducing legislation to correct this problem. My bill is quite simple. It does three things.

First, it prevents lawyers maintaining class action lawsuits against the nuclear weapons contractors for nonphysical injuries. Individual claims for nonphysical injuring could still be pursued. Class action suits could still be maintained for physical injuries. But class actions could not be maintained for nonphysical injuries.

Second, the bill makes the medical monitoring regime established under Superfund the exclusive source of medical monitoring for these cases. The pending cases ask the courts to set up medical monitoring programs costing tens of millions of dollars for tens of thousands of people near these plants. The bill would require the courts to make use of the existing institution instead of creating multiple and redundant new ones.

Third, it bars punitive damages where the government would have to pay them. The Federal Tort Claims Act does this already for suits against the government itself. We thought we were doing this under the Price-Anderson Act when we amended it in 1988, but the 1988 amendments only applied to incidents occurring on or after August 20, 1988, and the pending cases are based on occurrences prior to that date. This amendment extends the 1988 prohibition to apply to incidents occurring before 1988.

These three reforms are the minimum that is needed to address the current problem. Indeed, some might say they do not go far enough. These reforms strike a fair balance that will ensure that anyone who is in fact injured by the operation of the nation's nuclear weapons complex will be compensated. At the same time, they close the loophole in the current law that has allowed a few lawyers to raid the U.S. Treasury on the flimsiest of claims.

I urge all Senators to join me in supporting this measure and ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1852

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Department of Energy Class Action Lawsuit Act".

SEC. 2. CLASS ACTIONS.

Section 170n. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(n)) is amended by adding after paragraph (3) the following:

"(4)(A) An action may not be maintained as a class action under Rule 23 of the Federal Rules of Civil Procedure against any person indemnified by the United States under section 170d. with respect to any claim for a nonphysical injury that arises from a nuclear incident or precautionary evacuation regardless of when it occurred.

"(B) For purposes of this paragraph, "nonphysical injury" includes—

"(i) emotional distress and any mental or emotional harm (such as fright or anxiety) that is not directly brought about by a physical injury even though it may manifest itself in physical symptoms; and

"(C) For purposes of this paragraph and paragraph (5), the term "person indemnified by the United States under section 170d." means any person indemnified by the United States—

"(i) under section 170d.; or

"(ii) under any other authority that obligates the United States to make payments relating to a nuclear incident or precautionary evacuation that arises from activities conducted under contract with the Department of Energy or any of its predecessor agencies."

SEC. 3. MEDICAL MONITORING.

Section 170n. of the Atomic Energy Act of 1954 (42 U.S.C. 2210(n)) is further amended by adding at the end the following:

"(5)(A) Except in the case of an extraordinary nuclear occurrence, medical monitoring provided by the Agency for Toxic substances and Disease Registry under section 104(i) of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9604(i)) shall be the exclusive remedy for any claim for medical monitoring in a public liability action against a person indemnified by the United States under section 170d. No court may grant a remedy for a claim for medical monitoring in a public liability action except in the case of an extraordinary nuclear occurrence or as provided in section 310(a)(2) of the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9659(a)(2)).

"(B) For purposes of this paragraph, "medical monitoring" includes any medical screening, testing, or surveillance program intended to detect, study, prevent, or treat bodily injury, sickness, disease, or death that may arise from a nuclear incident or precautionary evacuation.".

SEC. 4. PUNITIVE DAMAGES.

Section 170s. Of the Atomic Energy Act of 1954 (42 U.S.C. 2210(s)) is amended to read as follows:

"(s.) LIMITATION ON PUNITIVE DAMAGES.—No court may award punitive damages in any action with respect to a nuclear incident or precautionary evacuation against a person on behalf of whom the United States is obligated to make payments under any agreement of indemnification covering the incident or evacuation, regardless of—

"(A) when the incident or evacuation occurred; or

"(B) whether the agreement of indemnification was entered into under this Act or under any other authority.".

SEC. 5. ACTIONS COVERED.

The provisions of this Act shall apply to any public liability action (as defined in section 11hh. of the Atomic Energy Act of 1954 (42 U.S.C. 2014(hh)) that is pending on the date of the enactment of this Act or commenced on or after such date.•

ADDITIONAL COSPONSORS

S. 684

At the request of Mr. HATFIELD, the name of the Senator from New Hampshire [Mr. SMITH] was added as a cosponsor of S. 684, a bill to amend the Public Health Service Act to provide for programs of research regarding Parkinson's disease, and for other purposes.

S. 949

At the request of Mr. GRAHAM, the name of the Senator from Indiana [Mr. LUGAR] was added as a cosponsor of S. 949, a bill to require the Secretary of the Treasury to mint coins in commemoration of the 200th anniversary of the death of George Washington.

S. 1437

At the request of Mr. THURMOND, the name of the Senator from Massachusetts [Mr. KERRY] was added as a cosponsor of S. 1437, A bill to provide for an increase in funding for the conduct and support of diabetes-related research by the National Institutes of Health.

S. 1452

At the request of Mr. GRAMS, the name of the Senator from Arizona [Mr. KYL] was added as a cosponsor of S. 1452, a bill to establish procedures to provide for a taxpayer protection lockbox and related downward adjustment of discretionary spending limits and to provide for additional deficit reduction with funds resulting from the stimulative effect of revenue reductions.

S. 1477

At the request of Mrs. KASSEBAUM, the name of the Senator from Oklahoma [Mr. INHOFE] was added as a cosponsor of S. 1477, a bill to amend the Federal Food, Drug, and Cosmetic Act and the Public Health Service Act to improve the regulation of food, drugs, devices, and biological products, and for other purposes.

S. 1632

At the request of Mr. LAUTENBERG, the name of the Senator from Illinois [Mr. SIMON] was added as a cosponsor of S. 1632, a bill to prohibit persons convicted of a crime involving domestic violence from owning or possessing firearms, and for other purposes.

S. 1641

At the request of Mr. GRAMS, the name of the Senator from Michigan [Mr. LEVIN] was added as a cosponsor of S. 1641, a bill to repeal the consent of Congress to the Northeast Interstate Dairy Compact, and for other purposes.

S. 1755

At the request of Mr. DOMENICI, the name of the Senator from Missouri [Mr. BOND] was added as a cosponsor of S. 1755, a bill to amend the Federal Agriculture Improvement and Reform Act of 1996 to provide that assistance shall be available under the noninsured crop assistance program for native pasture for livestock, and for other purposes.

ADDITIONAL STATEMENTS

RECOGNITION OF NORTHERN TELECOM FOR RECEIVING THE CORPORATE CITIZENSHIP AWARD

• Mrs. HUTCHISON. Mr. President, I rise today to recognize and congratulate a distinguished corporate citizen of my home State of Texas. As you may know, Northern Telecom [Nortel], a telecommunications equipment manufacturer based in Richardson, TX, recently received the first annual Corporate Citizenship Award from the Committee on Economic Development [CED].

The CED is an independent, nonpartisan educational research organization of 250 top business, leaders, economists, and university presidents. CED represents no single industry or special interest group, nor does it lobby. For more than 50 years, CED's recommendations have played a major, often decisive, role in critical policy areas such as American competitiveness, government and business management, energy security, education, and job creation. The CED's Corporate Citizenship Award was created to salute those companies that have demonstrated both an active involvement in the policy dialog and a carefully considered commitment to the communities in which they operate and society at large.

Nortel received the award in recognition of the principles of corporate and civic responsibility that have guided the company throughout its 100-year history. The award cited Nortel's investment in research and development, the training and education of its workers, the quality of its management, as well as the company's strong and ongoing commitment to education, the preservation of the arts and culture, and community service.

With over 5,000 employees, Nortel is a global telecommunications leader. It is with much pride, Mr. President, that I urge my colleagues to join me today in congratulating the Nortel family on this much-deserved distinction.•

1997 BUDGET RESOLUTION VOTES

• Mr. KERREY. Mr. President, I would like to take this opportunity to thank my colleagues for their support of the Kerry-Simpson-Nunn-Brown-Robb long-term entitlements amendment. My colleagues and I were a mere 14 votes away from passing legislation to begin the process of changing our entitlement laws. The support for this type of long-term reform is unprecedented, due in no small measure to our persistence on this matter.

I am particularly gratified because the reforms we advocated did not simply tinker around the edges of our budgetary dilemmas. Our adjustment to the Consumer Price Index would have saved the country $126 billion over 7 years; the phasing in of the Medicare eligibility age to 70 would eventually, by 2030, in 1 year alone save $41.1 billion in 1996 dollars; and our provision would have given more than 120 million working Americans the chance to start accumulating their own wealth through personal investment plans.

Mr. President, the fiscal imbalance of entitlements versus discretionary spending threatens our implicit intergenerational compact to leave a prosperous and growing economy to the next generation of Americans. The great demographic shift that will occur over the next 20 or 30 years—when the baby boom generation reaches retirement age—will largely shape our Nation's future. Accordingly, these changes must be met with new assumptions, different rules, and a fresh perspective.

That is what my colleagues and I offered. With growing support from both sides of the aisle and increased public awareness, perhaps soon we will get the votes we need to pass long-term entitlement reform. So, I am encouraged.

Accordingly, I would also like to briefly comment on other amendments offered to the budget resolution which I chose to vote against.

Several amendments were offered to the Republican budget resolution to restore funding to education, Medicaid, and the environment. While I agreed that the spending cuts to these programs in the budget resolution, particularly education, were severe and counterproductive—I could not vote for the add back amendments as they were written. In order to balance the budget and according to budget rules, amendments which add money back to programs in the budget resolution must be offset by cuts in other areas of Government spending. Each of the add back amendments I voted against used unspecified cuts to corporate welfare to pay for them. I realize that this might look like a good idea to the average citizen—cuts to corporations to fund education—but it's not always that simple.

"Corporate welfare" can be a very loosely defined and overused term. The reality is that most of us support—and more importantly benefit from—something that someone could call corporate welfare. The home mortgage deduction is a prime example. Some people would say it qualifies as corporate welfare for the real estate industry. However, if Congress ended the program today, we would hear the furious cry of the people claiming that we had increased their taxes. The self-employed health insurance deduction is another example. So is the research and development tax credit—and the list goes on. These obviously were not the programs my colleagues had in mind. But I felt I needed a better sense of what they did have in mind before I joined them in support of these amendments.

Please do not misunderstand, I believe there are many places where Government can cut back on spending—including unfair tax breaks for corporations. But we cannot use cuts to corporate welfare as a panacea to cure all our budget ills. I believe we must examine each program for its merits before deciding to eliminate it. Had the add-back amendments in the budget resolution been more specific on which items were to be used as offsets, my votes may have been cast quite differently.

Moreover, as I mentioned earlier, the most responsible way to solve our budget problems is not to tinker on the edges, cutting slices from corporate welfare or discretionary spending. We must address the unsustainable growth of entitlement spending if we want to bring our budget into long-term balance. The support for our long-term entitlement amendment was an important first step to getting us there.•

SMALL BUSINESS WEEK

• Mr. GORTON. Mr. President, this week is Small Business Week, during which we honor and express our appreciation for the men and women who, by dint of hard work and risktaking, help keep the American economy going strong and create jobs for millions of their fellow citizens.

The life of a small business owner is not easy: Long hours, uncertain finances, competition, the very real chance of failure. Add to these burdens Federal taxes and regulations, and you have a rough road indeed. Many small business people will tell you that the Federal tax and regulatory burden is an obstacle to growth, and that the Federal Government's excessive interference poses a threat not only to their growth, but in some cases to their very survival. It's time the Government got off the backs of small businesses, and stopped throwing obstacles in the way of their success.

Because small businesses are so vital to our economy, and because so many American workers benefit from employment in small businesses, Congress is working to relieve some of the tax and regulatory burdens on small business owners so that they may be free to grow, create jobs, and contribute even more to the economy.

We've done quite a bit, passing—and making law—15 bills that included measures endorsed by last year's White House Conference on Small Business. Unfortunately, eight bills that contained important small business relief have been vetoed by President Clinton.

Yes, that's right—eight bills that included recommendations from the White House Conference on Small Business were vetoed by the current occupant of the White House, President Clinton. Those eight measures, which would have been of tremendous help to small business men and women were: An estate tax reduction, health care reform, pension reform, legal reform, a health deduction for the self-employed, an expensing provision, broad-based capital gains reform, and small business investment via capital gains reform. Last year, at the conference, the President expressed strong support for these measures and led us to believe that he wanted to relieve some of the burdens on our Nation's entrepreneurs.

Well, as we know from past experience, you can't always rely on what the President says he's going to do. I certainly hope this Small Business Week will jog his memory as to the promises he made last year, and that he will work with Congress as we continue in our efforts to ease the burdens on small businesses.•

CONGRATULATING WEST PHILADELPHIA CATHOLIC HIGH SCHOOL

• Mr. SANTORUM. Mr. President, today I call attention to a very special honor bestowed upon the West Philadelphia Catholic High School of Philadelphia, PA. West Philadelphia Catholic High School is among 266 secondary schools to be selected as a Blue Ribbon School of Excellence. The U.S. Department of Education's Blue Ribbon School of Excellence Program nationally recognizes public and private schools that are effective in meeting local, State, and national goals and in educating their students.

Mr. President, I would like to congratulate West Philadelphia Catholic High School on this distinguished achievement. I am also proud to say that the West Philadelphia Catholic High School is a two-time winner of this prestigious honor and is the only Archdiocesan school to have received this award. As the U.S. Department of Education notes, these Blue Ribbon Schools are not only centers of educational excellence in their communities, but are often visited by educators from across the country who study their success.

The West Philadelphia Catholic High School is a Blue Ribbon Award winner because of the hard work of its students, the continued support of parents and graduates, and the dedication of its faculty and administration. This hard work and dedication to excellence can also be seen in the high number of graduating students who pursue higher education.

Again Mr. President, the Blue Ribbon Award is an honor to the students, faculty, and administration of the West Philadelphia Catholic High School as well as the city of Philadelphia. At this time I would like to extend my best wishes to West Philadelphia Catholic High School and congratulate this academic community on a job well done.•

BICENTENNIAL CELEBRATION OF MONTAUK POINT LIGHTHOUSE

• Mr. MOYNIHAN. Mr. President, on the seventh day of June, 1796, the founding block of sandstone was placed at the base of the Montauk Point Lighthouse on the eastern tip of Long Island. Two hundred years of Atlantic breakers have worn away more than half of the land that once separated the great black and white striped tower from the ocean; however, this steady beacon continues to welcome seafarers from near and far and guides them around the point, safely to shore.

On April 12, 1792, President George Washington signed into law the congressional authorization for the construction of the Montauk Point Lighthouse. On March 2, 1793, a sum of $20,000 was appropriated for the project. Unbiased in its service to the vessels of the sea, the lighthouse was the first to be constructed in New York State at full Federal expense, and it remains a shining beacon of the best of what we can do as a nation.

From the top of the lighthouse tower, one can see Long Island, Connecticut, Rhode Island and Block Island. This range of sight proved beneficial during World War II, when spotters from the tower would coordinate the 16" cannons located in the battery at Fort Hero—500 meters to the west. Throughout the war, the lighthouse was operated by the Army Signal Corps and established itself as a crucial part of the eastern coastal defensive shield.

Though its construction was significantly altered only once, the lighthouse has changed with the times. Originally it burned whale oil, housed a lightkeeper, and could be seen from but a few miles from its source. Today the lighthouse runs on an automated system, and can be seen at a distance of 19 nautical miles. In addition, it forms part of a satelite-based global positioning system.

This year the Montauk Point Lighthouse Museum will welcome its 1 millionth visitor by land. On behalf of those who pass both by land and by sea, I would like to thank the Montauk Historical Society and the Coast Guard for their dutiful service to the light, and I am delighted to celebrate the Bicentennial of the Montauk Lighthouse.•

MEASURE READ THE FIRST TIME—H.R. 3120

Mr. LOTT. Mr. President, I inquire of the Chair if H.R. 3120 has arrived from the House of Representatives?

The PRESIDING OFFICER. Yes, it has.

Mr. LOTT. Mr. President, I ask for its first reading.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (H.R. 3120) to amend title 18, United States Code, with respect to witness retaliation, witness tampering and jury tampering.

Mr. LOTT. Mr. President, I now ask for its second reading, and I object on behalf of the Democratic leadership. I understand they have some concerns with it.

The PRESIDING OFFICER. The objection is heard.

Mr. LOTT. Will the bill remain at the desk to be read a second time following the next adjournment of the Senate?

The PRESIDING OFFICER. The Senator is correct.

HEALTH INSURANCE REFORM

Mr. LOTT. Before I go to the closing script, I want to comment briefly on what I understand is happening with the health insurance reform package. I understand that discussions are continuing. I have the impression that very good progress is being made. I am hopeful, as I know the distinguished majority leader is, that agreement can be reached and that this legislation can be taken up early next week.

Yet I was amused to hear the Senator from Massachusetts, Senator KENNEDY, a few moments ago, complaining loudly, vociferously about how not enough was being done. Actually, what he is complaining about is the way it is being done to come to an agreement. It was amusing to me because he was complaining about how there were meetings going on and they were not being informed or kept advised, yet he immediately started talking about exactly what is being discussed. He knows every detail. I know he is involved and staff is involved.

Senator KASSEBAUM, the Senator from Kansas, who coauthored this legislation with the Senator from Massachusetts, is keeping him informed. Really, he protests too much. He says they are not involved, yet he knows every detail immediately. When we get close to an agreement he does not like, he runs to the floor and says, "My goodness." Then he continues to complain that members of the minority are not involved in discussions. Yet every time we have tried to get conferees appointed, the Democrats have objected. I tried it yesterday. That way Senator KENNEDY, Senator PELL, Senator MOYNIHAN, Senator BIDEN or others would be involved, sitting down in a room discussing the solution. The reason they are not directly, formally involved is because Senator KENNEDY and other Democrats have objected to the appointment of conferees.

We are never going to bring this to a conclusion if we cannot get over the hurdle of at least appointing conferees. What they really want is an agreement first. Once we get it all worked out, they will have conferees. I think that is a little bit of a perversion of how the system usually has worked and how it should work.

What Senator KENNEDY is complaining about with regard to the distinguished majority leader is that the majority leader may have a little different view of some of the comments. So the inference is if Senator DOLE does not agree to what Senator KENNEDY wants, then it is hopeless. That is not the way it works. A lot of progress has been made. A lot of concessions have been made by the House to the Senate and some from the Senate to the House. The big objection is medical savings accounts. There are solutions there. There are compromises that are within reach.

It is a question of choice. Will our people, some day—some day—have a chance to decide if maybe they want to put their money in medical IRA's? Senator KENNEDY wants to block that. Even the President has indicated along the way over the last year that he would be willing to go with some form of agreement on medical savings accounts. Maybe not what they are talking about now, but on a pilot basis, some form. This is an idea we ought to try. I hope the conferees or the people who are talking about it, since they will not let us appoint conferees, are getting close to an agreement. I believe they are. It is encouraging. I look forward to our having a chance to take that up next week.

ORDERS FOR MONDAY, JUNE 10, 1996

Mr. LOTT. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until the hour of 12 noon on Monday June 10; further, that immediately following the prayer, the Journal of proceedings be deemed approved to date, no resolutions come over under the rule, the call of the calendar be dispensed with, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day.

I further ask that there then be a period for the transaction of morning business with Senators to speak for up to 5 minutes, with Senators to be recognized as follows: Senator HOLLINGS for up to 30 minutes, Senator DOMENICI to be in control of time from 1 o'clock to 3:30, Senator DASCHLE or his designee in control of time from 3:30 until 4:30, Senator COVERDELL or his designee in control of time from 4:30 to 5:30.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. LOTT. For the information of all Senators, on Monday it is expected that during morning business the Senate will debate the budget resolution conference report. It is hoped that any Senator who desires to speak in regard to the budget conference report will do so during Monday's session of the Senate. This would enable the Senate to yield back some of the statutory time limitation on Tuesday and allow for a vote on the conference report during Tuesday's session of the Senate. This is a measured step in the right direction. I am glad that conference report has been agreed to and we can take it up early next week. Rollcall votes are possible during Monday's session of the Senate, and the Senate may be asked to turn to any legislative items that can be cleared.

I am sure in the opening session and opening script on Monday we will have additional information about the schedule during the day of Tuesday and Wednesday. I think we are pretty close to getting an understanding of what that might be. I know the majority leader will make that available to the Members early next week.

ADJOURNMENT UNTIL 12 NOON MONDAY, JUNE 10, 1996

Mr. LOTT. Mr. President, if there is no further business to come before the Senate, I now ask that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 1:57 p.m., adjourned until Monday, June 10, 1996, at 12 noon.

HOUSE OF REPRESENTATIVES—*Friday, June 7, 1996*

The House met at 10 a.m. and was called to order by the Speaker pro tempore [Ms. GREENE of Utah].

DESIGNATION OF THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
June 7, 1996.

I hereby designate the Honorable ENID GREENE to act as Speaker pro tempore on this day.

NEWT GINGRICH,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Remind each person, O gracious God, of the blessedness of giving rather than receiving, of the exhilaration of service to others and the fulfillment that comes with contributions to noble causes, of the joy that comes when there is hope for the day and peace at the end. As there is no other gift that so truly makes us human, we acknowledge you, O God, with the gifts of thankfulness and gratitude. Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House her approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from California [Mr. HERGER] come forward and lead the House in the Pledge of Allegiance.

Mr. HERGER led the Pledge of Allegiance as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one nation under God, indivisible, with liberty and justice for all.

CONFERENCE REPORT ON HOUSE CONCURRENT RESOLUTION 178, CONCURRENT RESOLUTION ON THE BUDGET, FISCAL YEAR 1997

Mr. HERGER submitted the following conference report and statement on the concurrent resolution (H. Con. Res. 178) establishing the congressional budget for the United States Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002:

CONFERENCE REPORT (H. CON. RES. 178)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (H. Con. Res. 178) establishing the congressional budget for the United States Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 1997.

The Congress determines and declares that the concurrent resolution on the budget for fiscal year 1997 is hereby established and that the appropriate budgetary levels for fiscal years 1998 through 2002 are hereby set forth.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this concurrent resolution is as follows:

Sec. 439. Sense of the Senate regarding the funding of Amtrak.

TITLE I—LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for the fiscal years 1997, 1998, 1999, 2000, 2001, and 2002:

(1) FEDERAL REVENUES.—For purposes of the enforcement of this resolution:

(A) The recommended levels of Federal revenues are as follows:

Fiscal year 1997: $1,083,728,000,000.
Fiscal year 1998: $1,130,269,000,000.
Fiscal year 1999: $1,177,467,000,000.
Fiscal year 2000: $1,231,178,000,000.
Fiscal year 2001: $1,290,661,000,000.
Fiscal year 2002: $1,359,046,000,000.

(B) The amounts by which the aggregate levels of Federal revenues should be changed are as follows:

Fiscal year 1997: −$16,627,000,000.
Fiscal year 1998: −$18,280,000,000.
Fiscal year 1999: −$20,890,000,000.
Fiscal year 2000: −$20,620,000,000.
Fiscal year 2001: −$20,436,000,000.
Fiscal year 2002: −$14,849,000,000.

(C) The amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

Fiscal year 1997: $108,053,000,000.
Fiscal year 1998: $113,226,000,000.
Fiscal year 1999: $119,361,000,000.
Fiscal year 2000: $125,737,000,000.
Fiscal year 2001: $131,641,000,000.
Fiscal year 2002: $138,131,000,000.

(2) NEW BUDGET AUTHORITY.—For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:

Fiscal year 1997: $1,314,760,000,000.
Fiscal year 1998: $1,362,075,000,000.
Fiscal year 1999: $1,392,403,000,000.
Fiscal year 2000: $1,433,371,000,000.
Fiscal year 2001: $1,453,873,000,000.
Fiscal year 2002: $1,496,063,000,000.

(3) BUDGET OUTLAYS.—For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:

Fiscal year 1997: $1,311,011,000,000.
Fiscal year 1998: $1,354,668,000,000.
Fiscal year 1999: $1,383,872,000,000.
Fiscal year 2000: $1,416,493,000,000.
Fiscal year 2001: $1,432,423,000,000.
Fiscal year 2002: $1,462,900,000,000.

(4) DEFICITS.—For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:

Fiscal year 1997: $227,283,000,000.
Fiscal year 1998: $224,399,000,000.
Fiscal year 1999: $206,405,000,000.
Fiscal year 2000: $185,315,000,000.
Fiscal year 2001: $141,762,000,000.
Fiscal year 2002: $103,854,000,000.

(5) PUBLIC DEBT.—The appropriate levels of the public debt are as follows:

Fiscal year 1997: $5,435,700,000,000.
Fiscal year 1998: $5,702,200,000,000.
Fiscal year 1999: $5,945,300,000,000.
Fiscal year 2000: $6,165,000,000,000.
Fiscal year 2001: $6,338,400,000,000.
Fiscal year 2002: $6,468,400,000,000.

(6) DIRECT LOAN OBLIGATIONS.—The appropriate levels of total new direct loan obligations are as follows:

Fiscal year 1997: $41,353,000,000.
Fiscal year 1998: $36,358,000,000.
Fiscal year 1999: $36,455,000,000.
Fiscal year 2000: $36,535,000,000.
Fiscal year 2001: $36,600,000,000.
Fiscal year 2002: $36,624,000,000.

(7) PRIMARY LOAN GUARANTEE COMMITMENTS.—The appropriate levels of new primary loan guarantee commitments are as follows:

Fiscal year 1997: $267,284,000,000.
Fiscal year 1998: $269,467,000,000.
Fiscal year 1999: $268,601,000,000.
Fiscal year 2000: $268,489,000,000.
Fiscal year 2001: $270,244,000,000.
Fiscal year 2002: $270,948,000,000.

SEC. 102. DEBT INCREASE.

The amounts of the increase in the public debt subject to limitation are as follows:

Fiscal year 1997: $279,500,000,000.
Fiscal year 1998: $266,500,000,000.
Fiscal year 1999: $243,100,000,000.
Fiscal year 2000: $219,700,000,000.
Fiscal year 2001: $173,400,000,000.
Fiscal year 2002: $130,000,000,000.

SEC. 103. SOCIAL SECURITY.

(a) SOCIAL SECURITY REVENUES.—For purposes of Senate enforcement under sections 302, 602, and 311 of the Congressional Budget Act of 1974, the amounts of revenues of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1997: $385,010,000,000.
Fiscal year 1998: $402,282,000,000.
Fiscal year 1999: $423,420,000,000.
Fiscal year 2000: $445,102,000,000.
Fiscal year 2001: $465,155,000,000.
Fiscal year 2002: $487,344,000,000.

(b) SOCIAL SECURITY OUTLAYS.—For purposes of Senate enforcement under sections 302, 602, and 311 of the Congressional Budget Act of 1974, the amounts of outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 1997: $357,596,000,000.
Fiscal year 1998: $374,931,000,000.
Fiscal year 1999: $393,137,000,000.
Fiscal year 2000: $412,438,000,000.
Fiscal year 2001: $433,311,000,000.
Fiscal year 2002: $455,165,000,000.

SEC. 104. MAJOR FUNCTIONAL CATEGORIES.

The Congress determines and declares that the appropriate levels of new budget authority, budget outlays, new direct loan obligations, and new primary loan guarantee commitments for fiscal years 1997 through 2002 for each major functional category are:

(1) National Defense (050):

Fiscal year 1997:
(A) New budget authority, $265,583,000,000.
(B) Outlays, $264,146,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $800,000,000.

Fiscal year 1998:
(A) New budget authority, $268,198,000,000.
(B) Outlays, $263,018,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $200,000,000.

Fiscal year 1999:
(A) New budget authority, $270,797,000,000.
(B) Outlays, $266,289,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $192,000,000.

Fiscal year 2000:
(A) New budget authority, $273,337,000,000.
(B) Outlays, $269,961,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $187,000,000.

Fiscal year 2001:
(A) New budget authority, $275,961,000,000.
(B) Outlays, $269,025,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $185,000,000.

Fiscal year 2002:
(A) New budget authority, $278,821,000,000.
(B) Outlays, $268,962,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $183,000,000.

(2) International Affairs (150):

Fiscal year 1997:
(A) New budget authority, $14,308,000,000.
(B) Outlays, $15,201,000,000.
(C) New direct loan obligations, $4,333,000,000.
(D) New primary loan guarantee commitments, $18,110,000,000.

Fiscal year 1998:
(A) New budget authority, $12,120,000,000.
(B) Outlays, $13,519,000,000.
(C) New direct loan obligations, $4,342,000,000.
(D) New primary loan guarantee commitments, $18,262,000,000.

Fiscal year 1999:
(A) New budget authority, $11,095,000,000.
(B) Outlays, $12,520,000,000.
(C) New direct loan obligations, $4,358,000,000.
(D) New primary loan guarantee commitments, $18,311,000,000.

Fiscal year 2000:
(A) New budget authority, $11,556,000,000.
(B) Outlays, $11,235,000,000.
(C) New direct loan obligations, $4,346,000,000.
(D) New primary loan guarantee commitments, $18,311,000,000.

Fiscal year 2001:
(A) New budget authority, $11,664,000,000.
(B) Outlays, $11,022,000,000.
(C) New direct loan obligations, $4,395,000,000.
(D) New primary loan guarantee commitments, $18,409,000,000.

Fiscal year 2002:
(A) New budget authority, $11,864,000,000.
(B) Outlays, $10,896,000,000.
(C) New direct loan obligations, $4,387,000,000.
(D) New primary loan guarantee commitments, $18,409,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1997:
(A) New budget authority, $16,788,000,000.
(B) Outlays, $16,865,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, $16,249,000,000.
(B) Outlays, $16,421,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1999:
(A) New budget authority, $16,012,000,000.
(B) Outlays, $16,053,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2000:
(A) New budget authority, $15,775,000,000.
(B) Outlays, $15,805,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2001:
(A) New budget authority, $15,700,000,000.
(B) Outlays, $15,717,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

Fiscal year 2002:
(A) New budget authority, $15,573,000,000.
(B) Outlays, $15,611,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

(4) Energy (270):

Fiscal year 1997:
(A) New budget authority, $3,728,000,000.
(B) Outlays, $3,080,000,000.
(C) New direct loan obligations, $1,033,000,000.
(D) New primary loan guarantee commitments, $0.

Fiscal year 1998:
(A) New budget authority, $2,830,000,000.
(B) Outlays, $2,328,000,000.
(C) New direct loan obligations, $1,039,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $2,512,000,000.
(B) Outlays, $1,758,000,000.
(C) New direct loan obligations, $1,045,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $2,272,000,000.
(B) Outlays, $1,351,000,000.
(C) New direct loan obligations, $1,036,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $2,385,000,000.
(B) Outlays, $1,329,000,000.
(C) New direct loan obligations, $1,000,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $2,069,000,000.
(B) Outlays, $874,000,000.
(C) New direct loan obligations, $1,031,000,000.
(D) New primary loan guarantee commitments, $0.
(5) Natural Resources and Environment (300):
Fiscal year 1997:
(A) New budget authority, $20,879,000,000.
(B) Outlays, $21,707,000,000.
(C) New direct loan obligations, $37,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $18,862,000,000.
(B) Outlays, $19,698,000,000.
(C) New direct loan obligations, $41,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $19,787,000,000.
(B) Outlays, $20,515,000,000.
(C) New direct loan obligations, $38,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $18,604,000,000.
(B) Outlays, $19,125,000,000.
(C) New direct loan obligations, $38,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $19,170,000,000.
(B) Outlays, $19,418,000,000.
(C) New direct loan obligations, $38,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $19,098,000,000.
(B) Outlays, $19,169,000,000.
(C) New direct loan obligations, $38,000,000.
(D) New primary loan guarantee commitments, $0.
(6) Agriculture (350):
Fiscal year 1997:
(A) New budget authority, $12,811,000,000.
(B) Outlays, $10,985,000,000.
(C) New direct loan obligations, $7,794,000,000.
(D) New primary loan guarantee commitments, $5,870,000,000.
Fiscal year 1998:
(A) New budget authority, $12,122,000,000.
(B) Outlays, $10,220,000,000.
(C) New direct loan obligations, $9,346,000,000.
(D) New primary loan guarantee commitments, $6,637,000,000.
Fiscal year 1999:
(A) New budget authority, $11,799,000,000.
(B) Outlays, $9,898,000,000.
(C) New direct loan obligations, $10,743,000,000.
(D) New primary loan guarantee commitments, $6,586,000,000.
Fiscal year 2000:
(A) New budget authority, $11,146,000,000.
(B) Outlays, $9,268,000,000.
(C) New direct loan obligations, $10,736,000,000.
(D) New primary loan guarantee commitments, $6,652,000,000.
Fiscal year 2001:
(A) New budget authority, $10,015,000,000.
(B) Outlays, $8,229,000,000.
(C) New direct loan obligations, $10,595,000,000.
(D) New primary loan guarantee commitments, $6,641,000,000.
Fiscal year 2002:
(A) New budget authority, $9,627,000,000.
(B) Outlays, $7,822,000,000.
(C) New direct loan obligations, $10,570,000,000.
(D) New primary loan guarantee commitments, $6,709,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1997:
(A) New budget authority, $8,186,000,000.
(B) Outlays, −$2,307,000,000.
(C) New direct loan obligations, $1,856,000,000.
(D) New primary loan guarantee commitments, $197,340,000,000.
Fiscal year 1998:
(A) New budget authority, $9,561,000,000.
(B) Outlays, $5,746,000,000.
(C) New direct loan obligations, $1,787,000,000.
(D) New primary loan guarantee commitments, $196,570,000,000.
Fiscal year 1999:
(A) New budget authority, $10,575,000,000.
(B) Outlays, $6,109,000,000.
(C) New direct loan obligations, $1,763,000,000.
(D) New primary loan guarantee commitments, $196,253,000,000.
Fiscal year 2000:
(A) New budget authority, $12,543,000,000.
(B) Outlays, $7,414,000,000.
(C) New direct loan obligations, $1,759,000,000
(D) New primary loan guarantee commitments, $195,883,000,000.
Fiscal year 2001:
(A) New budget authority, $11,363,000,000.
(B) Outlays, $7,377,000,000.
(C) New direct loan obligations, $1,745,000,000.
(D) New primary loan guarantee commitments, $195,375,000,000.
Fiscal year 2002:
(A) New budget authority, $11,695,000,000.
(B) Outlays, $7,312,000,000.
(C) New direct loan obligations, $1,740,000,000.
(D) New primary loan guarantee commitments, $194,875,000,000.
(8) Transportation (400):
Fiscal year 1997:
(A) New budget authority, $42,635,000,000.
(B) Outlays, $39,311,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $43,427,000,000.
(B) Outlays, $37,306,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $43,904,000,000.
(B) Outlays, $35,886,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $43,798,000,000.
(B) Outlays, $34,678,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $44,104,000,000.
(B) Outlays, $34,121,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $44,518,000,000.
(B) Outlays, $33,624,000,000.
(C) New direct loan obligations, $15,000,000.
(D) New primary loan guarantee commitments, $0.
(9) Community and Regional Development (450):
Fiscal year 1997:
(A) New budget authority, $8,218,000,000.
(B) Outlays, $10,321,000,000.
(C) New direct loan obligations, $1,231,000,000.
(D) New primary loan guarantee commitments, $2,133,000,000.
Fiscal year 1998:
(A) New budget authority, $6,651,000,000.
(B) Outlays, $8,982,000,000.
(C) New direct loan obligations, $1,257,000,000.
(D) New primary loan guarantee commitments, $2,133,000,000.
Fiscal year 1999:
(A) New budget authority, $6,611,000,000.
(B) Outlays, $8,111,000,000.
(C) New direct loan obligations, $1,287,000,000.
(D) New primary loan guarantee commitments, $1,171,000,000.
Fiscal year 2000:
(A) New budget authority, $6,656,000,000.
(B) Outlays, $7,267,000,000.
(C) New direct loan obligations, $1,365,000,000.
(D) New primary loan guarantee commitments, $1,171,000,000.
Fiscal year 2001:
(A) New budget authority, $6,466,000,000.
(B) Outlays, $6,819,000,000.
(C) New direct loan obligations, $1,404,000,000.
(D) New primary loan guarantee commitments, $2,202,000,000.
Fiscal year 2002:
(A) New budget authority, $6,367,000,000.
(B) Outlays, $6,334,000,000.
(C) New direct loan obligations, $1,430,000,000.
(D) New primary loan guarantee commitments, $2,202,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1997:
(A) New budget authority, $48,983,000,000.
(B) Outlays, $49,964,000,000.
(C) New direct loan obligations, $16,219,000,000.
(D) New primary loan guarantee commitments, $17,469,000,000.
Fiscal year 1998:
(A) New budget authority, $47,428,000,000.
(B) Outlays, $47,758,000,000.
(C) New direct loan obligations, $16,219,000,000.
(D) New primary loan guarantee commitments, $19,760,000,000.
Fiscal year 1999:
(A) New budget authority, $48,197,000,000.
(B) Outlays, $47,761,000,000.
(C) New direct loan obligations, $16,219,000,000.
(D) New primary loan guarantee commitments, $20,854,000,000.
Fiscal year 2000:
(A) New budget authority, $48,931,000,000.
(B) Outlays, $48,319,000,000.
(C) New direct loan obligations, $16,219,000,000.
(D) New primary loan guarantee commitments, $21,589,000,000.
Fiscal year 2001:
(A) New budget authority, $49,686,000,000.
(B) Outlays, $48,953,000,000.
(C) New direct loan obligations, $16,219,000,000.

(D) New primary loan guarantee commitments, $23,319,000,000.
Fiscal year 2002:
(A) New budget authority, $50,409,000,000.
(B) Outlays, $49,629,000,000.
(C) New direct loan obligations, $16,219,000,000.
(D) New primary loan guarantee commitments, $25,085,000,000.
(11) Health (550):
Fiscal year 1997:
(A) New budget authority, $133,228,000,000.
(B) Outlays, $133,172,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $187,000,000.
Fiscal year 1998:
(A) New budget authority, $140,343,000,000.
(B) Outlays, $140,728,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $94,000,000.
Fiscal year 1999:
(A) New budget authority, $146,103,000,000.
(B) Outlays, $146,246,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $152,405,000,000.
(B) Outlays, $152,317,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $158,848,000,000.
(B) Outlays, $158,509,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $164,380,000,000.
(B) Outlays, $163,912,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(12) Medicare (570):
Fiscal year 1997:
(A) New budget authority, $192,835,000,000.
(B) Outlays, $191,151,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $207,412,000,000.
(B) Outlays, $205,687,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $218,091,000,000.
(B) Outlays, $215,819,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $230,596,000,000.
(B) Outlays, $228,847,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $243,192,000,000.
(B) Outlays, $241,458,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $253,649,000,000.
(B) Outlays, $251,248,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(13) Income Security (600):
Fiscal year 1997:
(A) New budget authority, $230,233,000,000.
(B) Outlays, $239,737,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $241,767,000,000.
(B) Outlays, $244,694,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $246,842,000,000.
(B) Outlays, $253,422,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $265,119,000,000.
(B) Outlays, $265,209,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $264,868,000,000.
(B) Outlays, $268,404,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $283,450,000,000.
(B) Outlays, $280,388,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(14) Social Security (650):
Fiscal year 1997:
(A) New budget authority, $7,813,000,000.
(B) Outlays, $11,001,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $8,476,000,000.
(B) Outlays, $11,213,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $9,219,000,000.
(B) Outlays, $11,922,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $9,979,000,000.
(B) Outlays, $12,662,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $10,775,000,000.
(B) Outlays, $13,458,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $11,607,000,000.
(B) Outlays, $14,290,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(15) Veterans Benefits and Services (700):
Fiscal year 1997:
(A) New budget authority, $38,463,000,000.
(B) Outlays, $39,561,000,000.
(C) New direct loan obligations, $935,000,000.
(D) New primary loan guarantee commitments, $26,362,000,000.
Fiscal year 1998:
(A) New budget authority, $38,552,000,000.
(B) Outlays, $39,313,000,000.
(C) New direct loan obligations, $962,000,000.
(D) New primary loan guarantee commitments, $25,925,000,000.
Fiscal year 1999:
(A) New budget authority, $38,179,000,000.
(B) Outlays, $38,644,000,000.
(C) New direct loan obligations, $987,000,000.
(D) New primary loan guarantee commitments, $25,426,000,000.
Fiscal year 2000:
(A) New budget authority, $38,186,000,000.
(B) Outlays, $39,886,000,000.
(C) New direct loan obligations, $1,021,000,000.
(D) New primary loan guarantee commitments, $24,883,000,000.
Fiscal year 2001:
(A) New budget authority, $38,382,000,000.
(B) Outlays, $37,265,000,000.
(C) New direct loan obligations, $1,189,000,000.
(D) New primary loan guarantee commitments, $24,298,000,000.
Fiscal year 2002:
(A) New budget authority, $39,318,000,000.
(B) Outlays, $39,602,000,000.
(C) New direct loan obligations, $1,194,000,000.
(D) New primary loan guarantee commitments, $23,668,000,000.
(16) Administration of Justice (750):
Fiscal year 1997:
(A) New budget authority, $20,924,000,000.
(B) Outlays, $19,540,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $22,320,000,000.
(B) Outlays, $21,397,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $23,264,000,000.
(B) Outlays, $22,331,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $23,278,000,000.
(B) Outlays, $22,966,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $20,330,000,000.
(B) Outlays, $20,281,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $20,315,000,000.
(B) Outlays, $20,267,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(17) General Government (800):
Fiscal year 1997:
(A) New budget authority, $12,353,000,000.
(B) Outlays, $12,186,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $14,097,000,000.
(B) Outlays, $14,275,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $13,288,000,000.
(B) Outlays, $13,461,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $13,609,000,000.

(B) Outlays, $13,675,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $13,262,000,000.
(B) Outlays, $13,185,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $13,209,000,000.
(B) Outlays, $12,831,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(18) Net Interest (900):
Fiscal year 1997:
(A) New budget authority, $282,591,000,000.
(B) Outlays, $282,591,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, $289,121,000,000.
(B) Outlays, $289,121,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, $292,939,000,000.
(B) Outlays, $292,939,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, $294,426,000,000.
(B) Outlays, $294,426,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, $298,531,000,000.
(B) Outlays, $298,531,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, $302,932,000,000.
(B) Outlays, $302,932,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(19) Allowances (920):
Fiscal year 1997:
(A) New budget authority, −$465,000,000.
(B) Outlays, −$1,867,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, −$1,921,000,000.
(B) Outlays, −$1,217,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, −$2,084,000,000.
(B) Outlays, −$1,085,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, −$2,340,000,000.
(B) Outlays, −$1,413,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, −$2,552,000,000.
(B) Outlays, −$2,401,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, −$2,898,000,000.
(B) Outlays, −$2,863,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
(20) Undistributed Offsetting Receipts (950):
Fiscal year 1997:
(A) New budget authority, −$45,334,000,000.
(B) Outlays, −$45,334,000,000.
(C) New direct loan obligations, $7,900,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1998:
(A) New budget authority, −$35,539,000,000.
(B) Outlays, −$35,539,000,000.
(C) New direct loan obligations, $1,350,000,000.
(D) New primary loan guarantee commitments, $0.
Fiscal year 1999:
(A) New budget authority, −$34,727,000,000.
(B) Outlays, −$34,727,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2000:
(A) New budget authority, −$36,505,000,000.
(B) Outlays, −$36,505,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2001:
(A) New budget authority, −$38,277,000,000.
(B) Outlays, −$38,277,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.
Fiscal year 2002:
(A) New budget authority, −$39,940,000,000.
(B) Outlays, −$39,940,000,000.
(C) New direct loan obligations, $0.
(D) New primary loan guarantee commitments, $0.

TITLE II—RECONCILIATION DIRECTIONS

SEC. 201. RECONCILIATION IN THE HOUSE OF REPRESENTATIVES.

(a) SUBMISSIONS.—

(1) WELFARE AND MEDICAID REFORM AND TAX RELIEF.—Not later than June 13, 1996, the House committees named in subsection (b) shall submit their recommendations to provide direct spending and revenues to the Committee on the Budget of the House of Representatives. After receiving those recommendations, the Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(2) MEDICARE PRESERVATION.—Not later than July 18, 1996, the House committees named in subsection (c) shall submit their recommendations to provide direct spending to the Committee on the Budget of the House of Representatives. After receiving those recommendations, the Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(3) TAX AND MISCELLANEOUS DIRECT SPENDING REFORMS.—Not later than September 6, 1996, the House committees named in subsection (d) shall submit their recommendations to provide direct spending, deficit reduction, and revenues to the Committee on the Budget of the House of Representatives. After receiving those recommendations, the Committee on the Budget shall report to the House a reconciliation bill carrying out all such recommendations without any substantive revision.

(b) INSTRUCTIONS FOR WELFARE AND MEDICAID REFORM AND TAX RELIEF.—

(1) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $35,609,000,000 in outlays for fiscal year 1997, $36,625,000,000 in outlays for fiscal year 2002, and $216,316,000,000 in outlays in fiscal years 1997 through 2002.

(2) COMMITTEE ON COMMERCE.—The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $326,354,000,000 in outlays for fiscal year 1997, $473,718,000,000 in outlays for fiscal year 2002, and $2,395,231,000,000 in outlays in fiscal years 1997 through 2002.

(3) COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES.—The House Committee on Economic and Educational Opportunities shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $15,808,000,000 in outlays for fiscal year 1997, $19,670,000,000 in outlays for fiscal year 2002, and $105,331,000,000 in outlays in fiscal years 1997 through 2002.

(4) COMMITTEE ON WAYS AND MEANS.—(A) The House Committee on Ways and Means shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $381,199,000,000 in outlays for fiscal year 1997, $563,607,000,000 in outlays for fiscal year 2002, and $2,810,569,000,000 in outlays in fiscal years 1997 through 2002.

(B) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to reduce revenues by not more than $122,400,000,000 for fiscal years 1997 through 2002.

(c) INSTRUCTIONS FOR MEDICARE PRESERVATION.—

(1) COMMITTEE ON COMMERCE.—The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $319,554,000,000 in outlays for fiscal year 1997, $420,915,000,000 in outlays for fiscal year 2002, and $2,237,231,000,000 in outlays in fiscal years 1997 through 2002.

(2) COMMITTEE ON WAYS AND MEANS.—The House Committee on Ways and Means shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $374,399,000,000 in outlays for fiscal year 1997, $510,804,000,000 in outlays for fiscal year 2002, and $2,652,569,000,000 in outlays in fiscal years 1997 through 2002.

(d) INSTRUCTIONS FOR TAX AND MISCELLANEOUS DIRECT SPENDING REFORMS.—

(1) COMMITTEE ON AGRICULTURE.—The House Committee on Agriculture shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $35,599,000,000 in outlays for fiscal year 1997, $36,614,000,000 in outlays for fiscal year 2002, and $216,251,000,000 in outlays in fiscal years 1997 through 2002.

(2) COMMITTEE ON BANKING AND FINANCIAL SERVICES.—(A) The House Committee on Banking and Financial Services shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: −$12,645,000,000 in outlays for fiscal year 1997, −$5,775,000,000 in outlays for fiscal year 2002, and −$41,639,000,000 in outlays in fiscal years 1997 through 2002.

(B) The House Committee on Banking and Financial Services shall report changes in laws within its jurisdiction that would reduce the deficit by: $0 in fiscal year 1997, $115,000,000 for fiscal year 2002, and $305,000,000 in fiscal years 1997 through 2002.

(3) COMMITTEE ON COMMERCE.—The House Committee on Commerce shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $318,054,000,000 in outlays for fiscal year 1997, $415,290,000,000 in outlays for fiscal year 2002, and $2,216,885,000,000 in outlays in fiscal years 1997 through 2002.

(4) COMMITTEE ON ECONOMIC AND EDUCATIONAL OPPORTUNITIES.—The House Committee on Economic and Educational Opportunities shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $15,025,000,000 in outlays for fiscal year 1997, $18,963,000,000 in outlays for fiscal year 2002, and $101,660,000,000 in outlays in fiscal years 1997 through 2002.

(5) COMMITTEE ON GOVERNMENT REFORM AND OVERSIGHT.—(A) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $65,164,000,000 in outlays for fiscal year 1997, $82,594,000,000 in outlays for fiscal year 2002, and $442,230,000,000 in outlays in fiscal years 1997 through 2002.

(B) The House Committee on Government Reform and Oversight shall report changes in laws within its jurisdiction that would reduce the deficit by: $201,000,000 in fiscal year 1997, $590,000,000 for fiscal years 2002, and $2,837,000,000 in fiscal years 1997 through 2002.

(6) COMMITTEE ON INTERNATIONAL RELATIONS.—The House Committee on International Relations shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $13,025,000,000 in outlays for fiscal year 1997, $10,311,000,000 in outlays for fiscal year 2002, and $67,953,000,000 in outlays in fiscal years 1997 through 2002.

(7) COMMITTEE ON THE JUDICIARY.—The House Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $2,784,000,000 in outlays for fiscal year 1997, $4,586,000,000 in outlays for fiscal year 2002, and $26,482,000,000 in outlays in fiscal years 1997 through 2002.

(8) COMMITTEE ON NATIONAL SECURITY.—The House Committee on National Security shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $39,787,000,000 in outlays for fiscal year 1997, $49,774,000,000 in outlays for fiscal year 2002, and $271,815,000,000 in outlays in fiscal years 1997 through 2002.

(9) COMMITTEE ON RESOURCES.—The House Committee on Resources shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $2,115,000,000 in outlays for fiscal year 1997, $2,048,000,000 in outlays for fiscal year 2002, and $11,652,000,000 in outlays in fiscal years 1997 through 2002.

(10) COMMITTEE ON SCIENCE.—The House Committee on Science shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $40,000,000 in outlays for fiscal year 1997, $46,000,000 in outlays for fiscal year 2002, and $242,000,000 in outlays in fiscal years 1997 through 2002.

(11) COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE.—The House Committee on Transportation and Infrastructure shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $18,315,000,000 in outlays for fiscal year 1997, $18,001,000,000 in outlays for fiscal year 2002, and $107,328,000,000 in outlays in fiscal years 1997 through 2002.

(12) COMMITTEE ON VETERANS' AFFAIRS.—The House Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $21,375,000,000 in outlays for fiscal year 1997, $22,217,000,000 in outlays for fiscal year 2002, and $130,468,000,000 in outlays in fiscal years 1997 through 2002.

(13) COMMITTEE ON WAYS AND MEANS.—(A) The House Committee on Ways and Means shall report changes in laws within its jurisdiction that provide direct spending such that the total level of direct spending for that committee does not exceed: $372,342,000,000 in outlays for fiscal year 1997, $508,107,000,000 in outlays for fiscal year 2002, and $2,638,057,000,000 in outlays in fiscal years 1997 through 2002.

(B)(i) The House Committee on Ways and Means shall report changes in laws within its jurisdiction sufficient to reduce revenues by not more than $113,838,000,000 in fiscal years 1997 through 2002.

(ii) If a reconciliation bill referred to in subsection (a)(1) is enacted into law, then the revenue amount set forth in clause (i) shall be adjusted to reflect the revenue provisions of that Act.

(e) DEFINITION.—For purposes of this section, the term "direct spending" has the meaning given to such term in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 202. RECONCILIATION IN THE SENATE.

(a) FIRST RECONCILIATION INSTRUCTIONS.—Not later than June 21, 1996, the committees named in this subsection shall submit their recommendations to the Committee on the Budget of the Senate. After receiving those recommendations, the Committee on the Budget shall report to the Senate a reconciliation bill carrying out all such recommendations without any substantive revision.

(1) COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY.—The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $1,974,000,000 in fiscal year 1997, $26,169,000,000 for the period of fiscal years 1997 through 2002, and $5,967,000,000 in fiscal year 2002.

(2) COMMITTEE ON FINANCE.—(A) The Senate Committee on Finance shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $260,000,000 in fiscal year 1997, $98,321,000,000 for the period of fiscal years 1997 through 2002, and $36,578,000,000 in fiscal year 2002.

(B) The Committee on Finance shall report changes in laws within its jurisdiction necessary to reduce revenues by not more than $122,400,000,000 for the period of fiscal years 1997 through 2002.

(b) SECOND RECONCILIATION INSTRUCTIONS.—No later than July 24, 1996, the Committee on Finance shall report to the Senate a reconciliation bill proposing changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $6,800,000,000 in fiscal year 1997, $158,000,000,000 for the period of fiscal years 1997 through 2002, and $52,803,000,000 in fiscal year 2002.

(c) THIRD RECONCILIATION INSTRUCTIONS.—No later than September 18, 1996, the committees named in this subsection shall submit their recommendations to the Committee on the Budget of the Senate. After receiving those recommendations, the Committee on the Budget shall report to the Senate a reconciliation bill carrying out all such recommendations without any substantive revision.

(1) COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY.—The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $10,000,000 in fiscal year 1997, $65,000,000 for the period of fiscal years 1997 through 2002, and $11,000,000 in fiscal year 2002.

(2) COMMITTEE ON ARMED SERVICES.—The Senate Committee on Armed Services shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $79,000,000 in fiscal year 1997, $649,000,000 for the period of fiscal years 1997 through 2002, and $166,000,000 in fiscal year 2002.

(3) COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS.—The Senate Committee on Banking, Housing, and Urban Affairs shall report changes in laws within its jurisdiction that reduce the deficit by $3,628,000,000 in fiscal year 1997, $3,605,000,000 for the period of fiscal years 1997 through 2002, and $462,000,000 in fiscal year 2002.

(4) COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION.—The Senate Committee on Commerce, Science, and Transportation shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $19,396,000,000 for the period of fiscal years 1997 through 2002, and $5,649,000,000 in fiscal year 2002.

(5) COMMITTEE ON ENERGY AND NATURAL RESOURCES.—The Senate Committee on Energy and Natural Resources shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $90,000,000 in fiscal year 1997, $1,512,000,000 for the period of fiscal years 1997 through 2002, and $72,000,000 in fiscal year 2002.

(6) COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS.—The Senate Committee on Environment and Public Works shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $87,000,000 in fiscal year 1997, $2,184,000,000 for the period of fiscal years 1997 through 2002, and $392,000,000 in fiscal year 2002.

(7) COMMITTEE ON FINANCE.—(A) The Senate Committee on Finance shall report changes in laws within its jurisdiction that reduce the deficit by $3,639,000,000 in fiscal year 1997, $23,184,000,000 for the period of fiscal years 1997 through 2002, and $4,121,000,000 in fiscal year 2002.

(B) The Committee on Finance shall report changes in laws within its jurisdiction to reduce revenues for the period of fiscal years 1997 through 2002 by not more than the amount specified in subsection (a)(2)(B) reduced by the amount that legislation enacted pursuant to subsection (a) reduced revenues for that period of fiscal years.

(8) COMMITTEE ON GOVERNMENTAL AFFAIRS.—The Senate Committee on Governmental Affairs

shall report changes in laws within its jurisdiction that reduce the deficit $1,101,000,000 in fiscal year 1997, $8,801,000,000 for the period of fiscal years 1997 through 2002, and $1,492,000,000 in fiscal year 2002.

(9) COMMITTEE ON THE JUDICIARY.—The Senate Committee on the Judiciary shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $476,000,000 for the period of fiscal years 1997 through 2002 and $119,000,000 in fiscal year 2002.

(10) COMMITTEE ON LABOR AND HUMAN RESOURCES.—The Senate Committee on Labor and Human Resources shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $783,000,000 in fiscal year 1997, $3,671,000,000 for the period of fiscal years 1997 through 2002, and $707,000,000 in fiscal year 2002.

(11) COMMITTEE ON VETERANS' AFFAIRS.—The Senate Committee on Veterans' Affairs shall report changes in laws within its jurisdiction that provide direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to reduce outlays $126,000,000 in fiscal year 1997, $5,271,000,000 for the period of fiscal years 1997 through 2002, and $1,418,000,000 in fiscal year 2002.

(d) TREATMENT OF RECONCILIATION BILLS FOR PRIOR SURPLUS.—For purposes of section 202 of House Concurrent Resolution 67 (104th Congress), legislation which reduces revenues pursuant to a reconciliation instruction contained in subsection (c) shall be taken together with all other legislation enacted pursuant to the reconciliation instructions contained in this resolution when determining the deficit effect of such legislation.

TITLE III—BUDGET ENFORCEMENT

SEC. 301. DISCRETIONARY SPENDING LIMITS.

(a) DEFINITION.—As used in this section and for the purposes of allocations made pursuant to section 302(a) or 602(a) of the Congressional Budget Act of 1974, for the discretionary category, the term "discretionary spending limit" means—

(1) with respect to fiscal year 1997—

(A) for the defense category $266,362,000,000 in new budget authority and $264,968,000,000 in outlays; and

(B) for the nondefense category $230,988,000,000 in new budget authority and $273,644,000,000 in outlays;

(2) with respect to fiscal year 1998—

(A) for the defense category $268,971,000,000 in new budget authority and $263,862,000,000 in outlays; and

(B) for the nondefense category $224,746,000,000 in new budget authority and $263,093,000,000 in outlays;

(3) with respect to fiscal year 1999, for the discretionary category $491,268,000,000 in new budget authority and $525,485,000,000 in outlays;

(4) with respect to fiscal year 2000, for the discretionary category $498,589,000,000 in new budget authority and $525,251,000,000 in outlays;

(5) with respect to fiscal year 2001, for the discretionary category $491,117,000,000 in new budget authority and $516,223,000,000 in outlays; and

(6) with respect to fiscal year 2002, for the discretionary category $500,592,000,000 in new budget authority and $514,219,000,000 in outlays;

as adjusted for changes in concepts and definitions and emergency appropriations.

(b) POINT OF ORDER IN THE SENATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), it shall not be in order in the Senate to consider—

(A) a revision of this resolution or any concurrent resolution on the budget for fiscal year 1998 (or amendment, motion, or conference report on such a resolution) that provides discretionary spending in excess of the sum of the defense and nondefense discretionary spending limits for such fiscal year;

(B) any concurrent resolution on the budget for fiscal year 1999, 2000, 2001, or 2002 (or amendment, motion, or conference report on such a resolution) that provides discretionary spending in excess of the discretionary spending limit for such fiscal year; or

(C) any appropriation bill or resolution (or amendment, motion, or conference report on such appropriation bill or resolution) for fiscal year 1997, 1998, 1999, 2000, 2001, or 2002 that would exceed any of the discretionary spending limits in this section or suballocations of those limits made pursuant to section 602(b) of the Congressional Budget Act of 1974.

(2) EXCEPTION.—

(A) IN GENERAL.—This section shall not apply if a declaration of war by the Congress is in effect or if a joint resolution pursuant to section 258 of the Balanced Budget and Emergency Deficit Control Act of 1985 has been enacted.

(B) ENFORCEMENT OF DISCRETIONARY LIMITS IN FY 1997.—Until the enactment of reconciliation legislation pursuant to subsections (a), (b), and (c) of section 202 of this resolution and for purposes of the application of paragraph (1), only subparagraph (C) of paragraph (1) shall apply, and it shall apply only for fiscal year 1997.

(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the concurrent resolution, bill, or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) DETERMINATION OF BUDGET LEVELS.—For purposes of subsection (b), the levels of new budget authority and outlays for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

SEC. 302. BUDGETARY TREATMENT OF THE SALE OF GOVERNMENT ASSETS.

(a) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the prohibition on scoring asset sales has discouraged the sale of assets that can be better managed by the private sector and generate receipts to reduce the Federal budget deficit;

(2) the President's fiscal year 1997 budget included $3,900,000,000 in receipts from asset sales and proposed a change in the asset sale scoring rule to allow the proceeds from these sales to be scored;

(3) assets should not be sold if such sale would increase the budget deficit over the long run; and

(4) the asset sale scoring prohibition should be repealed and consideration should be given to replacing it with a methodology that takes into account the long-term budgetary impact of asset sales.

(b) BUDGETARY TREATMENT.—(1) For the purposes of any concurrent resolution on the budget and the Congressional Budget Act of 1974, amounts realized from sales of assets shall be scored with respect to the level of budget authority, outlays, or revenues.

(2) For purposes of this section, the term "sale of an asset" shall have the same meaning as under section 250(c)(21) of the Balanced Budget and Emergency Deficit Control Act of 1985.

(3) For purposes of this section, the sale of loan assets or the prepayment of a loan shall be governed by the terms of the Federal Credit Reform Act of 1990.

SEC. 303. BUDGETARY TREATMENT OF DIRECT STUDENT LOANS.

For the purposes of any concurrent resolution on the budget and the Congressional Budget Act of 1974, the cost of a direct loan under the Federal direct student loan program shall be the net present value, at the time when the direct loan is disbursed, of the following cash flows for the estimated life of the loan—

(1) loan disbursements;

(2) repayments of principal;

(3) payments of interest and other payments by or to the Government over the life of the loan after adjusting for estimated defaults, prepayments, fees, penalties, and other recoveries; and

(4) direct expenses, including—

(A) activities related to credit extension, loan origination, loan servicing, management of contractors, and payments to contractors, other government entities, and program participants;

(B) collection of delinquent loans; and

(C) writeoff and closeout of loans.

SEC. 304. SUPERFUND RESERVE FUND.

(a) DEFICIT NEUTRAL ADJUSTMENTS IN THE HOUSE.—

(1) COMMITTEE ALLOCATIONS.—In the House of Representatives—

(A) after the enactment of a superfund bill that reforms the Superfund program to facilitate the clean up of hazardous waste sites and extends Superfund taxes; and

(B) upon the reporting of an appropriation measure (or submission of a conference report thereon) that appropriates funds for the Superfund program in excess of $1,302,000,000;

the chairman of the Committee on the Budget of that House may submit revised allocations, functional levels, budget aggregates, and discretionary spending limits to carry out this section by an amount that is equal to such excess. These revisions shall be considered for the purposes of the Congressional Budget Act of 1974 as the allocations, levels, aggregates, and limits contained in this resolution.

(2) COMMITTEE SUBALLOCATIONS.—The Committee on Appropriations of the House of Representatives may report appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974 following the revision of allocations to that committee pursuant to paragraph (1).

(3) LIMITATIONS.—The adjustments under this subsection shall not exceed—

(A) the net revenue increase for a fiscal year resulting from the enactment of legislation that extends Superfund taxes; and

(B) $898,000,000 in budget authority for a fiscal year and the outlays flowing from such budget authority in all fiscal years.

(3) READJUSTMENTS.—In the House of Representatives, any adjustments made under this subsection for any appropriations measure or any conference report thereon may be readjusted if that measure is not enacted into law.

(b) DEFICIT NEUTRAL ADJUSTMENTS IN THE SENATE.—

(1) IN GENERAL.—In the Senate, after the enactment of legislation that reforms the Superfund program and extends Superfund taxes, in the Senate, budget authority and outlays allocated to the Committee on Appropriations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974, the appropriate functional levels, the appropriate budget aggregates, and

the discretionary spending limits in section 201 of this resolution may be revised to provide additional budget authority and the outlays flowing from that budget authority for the Superfund program, pursuant to this subsection.

(2) DEFICIT NEUTRAL ADJUSTMENTS.—

(A) ALLOCATIONS.—

(i) COMMITTEE ALLOCATIONS.—In the Senate, upon reporting of an appropriations measure, or when a conference committee submits a conference report thereon, that appropriates funds for the Superfund program in excess of $1,302,000,000, the chairman of the Committee on the Budget of the Senate may submit revised allocations, functional levels, budget aggregates, and discretionary spending limits to carry out this section that adds to such allocations, levels, aggregates, and limits an amount that is equal to such excess. These revised allocations, levels, aggregates, and limits shall be considered for the purposes of the Congressional Budget Act of 1974 as the allocations, levels, aggregates, and limits contained in this resolution.

(ii) COMMITTEE SUBALLOCATIONS.—The Committee on Appropriations of the Senate may report appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974 following the revision of the allocations pursuant to clause (i).

(B) LIMITATIONS.—The adjustments under this subsection shall not exceed—

(i) the net revenue increase for a fiscal year resulting from the enactment of legislation that extends Superfund taxes; and

(ii) $898,000,000 in budget authority for a fiscal year and the outlays flowing from such budget authority in all fiscal years.

SEC. 305. TAX RESERVE FUND IN THE SENATE.

(a) IN GENERAL.—In the Senate, revenue and spending aggregates may be reduced and allocations may be revised for legislation that reduces revenues by providing family tax relief, fuel tax relief, and incentives to stimulate savings, investment, job creation, and economic growth if such legislation will not increase the deficit for—

(1) fiscal year 1997;

(2) the period of fiscal years 1997 through 2001; or

(3) the period of fiscal years 2002 through 2006.

(b) REVISED ALLOCATIONS.—Upon the consideration of legislation pursuant to subsection (a), the Chairman of the Committee on the Budget of the Senate may file with the Senate appropriately revised allocations under sections 302(a) and 602(a) of the Congressional Budget Act of 1974 and revised functional levels and aggregates to carry out this section. These revised allocations, functional levels, and aggregates shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations, functional levels, and aggregates contained in this resolution.

(c) REPORTING REVISED ALLOCATIONS.—The appropriate committee may report appropriately revised allocations pursuant to sections 302(b) and 602(b) of the Congressional Budget Act of 1974 to carry out this section.

SEC. 306. EXERCISE OF RULEMAKING POWERS.

Congress adopts the provisions of this title—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they shall be considered as part of the rules of each House, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change those rules (so far as they relate to that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

SEC. 307. GOVERNMENT SHUTDOWN PREVENTION ALLOWANCE.

(a) IN GENERAL.—In the House of Representatives for consideration of a conference report, or in the Senate, the fiscal year 1997 outlay allocation made pursuant to sections 302(a) and 602(a) of the Congressional Budget Act of 1974 to the Committees on Appropriations, the fiscal year 1997 outlay aggregate, the fiscal year 1997 discretionary limit on nondefense outlays and other appropriate aggregates may be increased for a resolution making continuing appropriations for fiscal year 1997. These revised allocations, aggregates, and limits shall be considered for all purposes of the Congressional Budget Act of 1974 as allocations, aggregates, and limits contained in this resolution and shall remain in effect for the consideration of any fiscal year 1997 appropriations measure.

(b) REVISED ALLOCATIONS.—In the Senate, upon the consideration of a motion to proceed or an agreement to proceed to a resolution making continuing appropriations for fiscal year 1997, or in the House of Representatives, upon the filing of a conference report thereon, that complies with the fiscal year 1997 discretionary limit on nondefense budget authority, the Chairman of the Committee on the Budget of the appropriate House may submit a revised outlay allocation for such committee and appropriately revised aggregates and limits to carry out this section.

(c) COMMITTEE SUBALLOCATIONS.—The Committee on Appropriations of the appropriate House may report appropriately revised suballocations pursuant to sections 302(b)(1) and 602(b)(1) of the Congressional Budget Act of 1974 following the revision of allocations pursuant to this section.

(d) LIMITATIONS.—The adjustments made under this section shall not exceed $1,337,000,000 in outlays for fiscal year 1997.

TITLE IV—SENSE OF CONGRESS, HOUSE, AND SENATE PROVISIONS

SEC. 401. SENSE OF CONGRESS ON BASELINES.

(a) FINDINGS.—Congress finds that:

(1) Baselines are projections of future spending if existing policies remain unchanged.

(2) Under baseline assumptions, spending automatically rises with inflation even if such increases are not mandated under existing law.

(3) Baseline budgeting is inherently biased against policies that would reduce the projected growth in spending because such policies are depicted as spending reductions from an increasing baseline.

(4) The baseline concept has encouraged Congress to abdicate its constitutional obligation to control the public purse for those programs which are automatically funded.

(b) SENSE OF CONGRESS.—It is the sense of Congress that baseline budgeting should be replaced with a budgetary model that requires justification of aggregate funding levels and maximizes congressional accountability for Federal spending.

SEC. 402. SENSE OF CONGRESS ON LOAN SALES.

(a) FINDINGS.—Congress finds that:

(1) The House and Senate Appropriations Subcommittees on Treasury, Postal Service, and General Government have stated that "more consideration should be given to the sale of nonperforming loans held not only by HUD, but by all Federal agencies that provide credit programs" and directed the Office of Management and Budget to direct Federal agencies to evaluate the value of their credit programs and develop a plan for the privatization of such credit programs.

(2) The Senate Appropriations Subcommittee on Commerce, Justice, State, the Judiciary, and Related Agencies has directed that the Small Business Administration should study and report to Congress on the feasibility of private servicing of SBA loan activities.

(3) The House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies previously directed the Farmers Home Administration to "explore the potential savings that might occur from contract centralized servicing."

(4) The Committee on Agriculture of the House has consistently urged the Secretary of Agriculture to explore contracting out loan servicing operations.

(5) The General Accounting Office has found that "Allowing the public and private sectors to compete for the centralized servicing (of loans) could mean reaping the benefits of the competitive marketplace—greater efficiency, increased focus on customer needs, increased innovation, and improved morale."

(6) The House Committee on Small Business has recommended "that 40 percent of the loan servicing portfolio (for Disaster Loans) be privatized."

(7) The President's Budget for Fiscal Year 1997 proposes to review options for improving the quality of loan portfolio management including contracting to the private sector.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the appropriate committees of the House and the Senate should report legislation authorizing the sale of such loan assets as they deem appropriate in order to contribute to Government downsizing, administrative cost savings, and improved services to borrowers.

SEC. 403. SENSE OF CONGRESS ON CHANGES IN MEDICAID.

It is the sense of Congress that any legislation changing the medicaid program pursuant to this resolution should—

(1) guarantee coverage for low-income children, pregnant women, the elderly, and the disabled as described in the National Governors' Association February 6, 1996, policy on reforming medicaid, which was endorsed unanimously by our Nation's Governors;

(2) maintain the medicaid program as a matching program while providing a fairer and more equitable formula for calculating the matching rate;

(3) reject any illusory financing schemes;

(4) continue existing law for Federal minimum quality standards for nursing homes and the enforcement of those standards;

(5) continue Federal rules that prevent wives or husbands from being required to impoverish themselves in order to obtain and keep medicaid benefits for their spouse requiring nursing home care and continue existing prohibitions against the States requiring the adult children of institutionalized patients from having to contribute to the cost of nursing facility services; and

(6) provide coverage of medicare premiums and cost-sharing payments for low-income seniors consistent with the unanimous National Governors' Association medicaid policy.

SEC. 404. SENSE OF CONGRESS ON IMPACT OF LEGISLATION ON CHILDREN.

(a) SENSE OF CONGRESS.—It is the sense of Congress that Congress should not adopt or enact any legislation that will increase the number of children who are hungry, homeless, poor, or medically uninsured.

(b) LEGISLATIVE ACCOUNTABILITY FOR IMPACT ON CHILDREN.—In the event legislation enacted to comply with this resolution results in an increase in the number of hungry, homeless, poor, or medically uninsured by the end of fiscal year 1997, Congress shall revisit the provisions of such legislation which caused such increase and shall, as soon as practicable thereafter, adopt legislation which would halt any continuation of such increase.

SEC. 405. SENSE OF CONGRESS ON DEBT REPAYMENT.

It is the sense of Congress that—

(1) Congress has a basic moral and ethical responsibility to future generations to repay the Federal debt;

(2) Congress should enact a plan that balances the budget and also develop a regimen for paying off the Federal debt;

(3) after the budget is balanced, a surplus should be created which can be used to begin paying off the debt; and

(4) such a plan should be formulated and implemented so that this generation can save future generations from the crushing burdens of the Federal debt.

SEC. 406. SENSE OF CONGRESS ON COMMITMENT TO A BALANCED BUDGET BY FISCAL YEAR 2002.

It is the sense of Congress that the President and Congress should continue to adhere to the statutory commitment made by both parties on November 20, 1995, to enact legislation to achieve a balanced budget not later than fiscal year 2002 as estimated by the Congressional Budget Office.

SEC. 407. SENSE OF CONGRESS THAT TAX REDUCTIONS SHOULD BENEFIT WORKING FAMILIES.

It is the sense of Congress that this concurrent resolution on the budget assumes any reductions in taxes should be structured to benefit working families by providing family tax relief and incentives to stimulate savings, investment, job creation, and economic growth.

SEC. 408. SENSE OF CONGRESS ON A BIPARTISAN COMMISSION ON THE SOLVENCY OF MEDICARE.

(a) FINDINGS.—Congress finds that—

(1) the Trustees of medicare have concluded that "the medicare program is clearly unsustainable in its present form";

(2) the Trustees of medicare concluded in 1995 that "the Hospital Insurance Trust Fund, which pays inpatient hospital expenses, will be able to pay benefits for only about 7 years and is severely out of financial balance in the long range";

(3) preliminary data made available to Congress indicate that the Hospital Insurance Trust Fund will go bankrupt in the year 2001, rather than the year 2002, as predicted last year;

(4) the Public Trustees of medicare have concluded that "the Supplementary Medical Insurance Trust Fund shows a rate of growth of costs which is clearly unsustainable";

(5) the Bipartisan Commission on Entitlement and Tax Reform concluded that, absent long-term changes in medicare, projected medicare outlays will increase from about 4 percent of the payroll tax base today to over 15 percent of the payroll tax base by the year 2030;

(6) the Bipartisan Commission on Entitlement and Tax Reform recommended, by a vote of 30 to 1, that spending and revenues available for medicare must be brought into long-term balance; and

(7) in the most recent Trustees' report, the Public Trustees of medicare "strongly recommend that the crisis presented by the financial condition of the medicare trust funds be urgently addressed on a comprehensive basis, including a review of the program's financing methods, benefit provisions, and delivery mechanisms."

(b) SENSE OF CONGRESS.—It is the sense of Congress that in order to meet the aggregates and levels in this budget resolution—

(1) a special bipartisan commission should be established immediately to make recommendations concerning the most appropriate response to the short-term solvency and long-term sustainability issues facing the medicare program which do not include tax increases in any form, including transfers of spending from the medicare Part A program to the Part B program; and

(2) the commission should report to Congress its recommendations prior to the adoption of a concurrent budget resolution for fiscal year 1998 in order that the committees of jurisdiction may consider these recommendations in fashioning an appropriate congressional response.

SEC. 409. SENSE OF CONGRESS ON MEDICARE TRANSFERS.

(a) FINDINGS.—Congress finds that—

(1) home health care provides a broad spectrum of health and social services to approximately 3,500,000 medicare beneficiaries in the comfort of their homes;

(2) the President has proposed reimbursing the first 100 home health care visits after a hospital stay through medicare part A and reimbursing all other visits through medicare part B, shifting responsibility for $55,000,000,000 of spending from the Hospital Insurance Trust Fund to the general revenues that pay for medicare part B;

(3) such a transfer does nothing to control medicare spending, and is merely a bookkeeping change which artificially extends the solvency of the Hospital Insurance Trust Fund;

(4) this transfer of funds camouflages the need to make changes in the medicare program to ensure the long-term solvency of the Hospital Insurance Trust Fund, which the Congressional Budget Office now states will become bankrupt in the year 2001, a year earlier than projected in the 1995 report by the Trustees of the Social Security and Medicare Trust Funds;

(5) Congress will be breaking a commitment to the American people if it does not act to ensure the solvency of the entire medicare program in both the short- and long-term;

(6) the President's proposal would force those in need of chronic care services to rely upon the availability of general revenues to provide financing for these services, making them more vulnerable to benefits changes than under current law; and

(7) according to the National Association of Home Care, shifting medicare home care payments from part A to part B would deemphasize the importance of home care by eliminating its status as part of the Hospital Insurance Trust Fund, thereby undermining access to the less costly form of care.

(b) SENSE OF CONGRESS.—It is the sense of Congress that in meeting the spending targets specified in the budget resolution, Congress should not accept the President's proposal to transfer spending from one part of medicare to another in its efforts to preserve, protect, and improve the medicare program.

SEC. 410. SENSE OF CONGRESS REGARDING CHANGES IN THE MEDICARE PROGRAM.

(a) FINDINGS.—Congress finds that, in achieving the spending levels specified in this resolution—

(1) the public trustees of medicare have concluded that "the medicare program is clearly unsustainable in its present form";

(2) the President has said his goal is to keep the medicare hospital insurance trust fund solvent for more than a decade, but his budget transfers $55,000,000,000 of home health spending from medicare part A to medicare part B;

(3) the transfer of home health spending threatens the delivery of home health services to 3.5 million medicare beneficiaries;

(4) such a transfer increases the burden on general revenues, including income taxes paid by working Americans, by $55,000,000,000;

(5) such a transfer artificially inflates the solvency of the medicare hospital insurance trust fund, misleading Congress, medicare beneficiaries, and working taxpayers;

(6) the Director of the Congressional Budget Office has certified that, without such a transfer, the President's budget extends the solvency of the hospital insurance trust fund for only one additional year; and

(7) without misleading transfers, the President's budget therefore fails to achieve his own stated goal for the medicare hospital insurance trust fund.

(b) SENSE OF CONGRESS.—It is the sense of Congress that, in achieving the spending levels specified in this resolution, Congress assumes that Congress would—

(1) keep the medicare hospital insurance trust fund solvent for more than a decade, as recommended by the President; and

(2) accept the President's proposed level of medicare part B savings over the period 1997 through 2002; but would

(3) reject the President's proposal to transfer home health spending from one part of medicare to another, which threatens the delivery of home health care services to 3.5 million medicare beneficiaries, artificially inflates the solvency of the medicare hospital insurance trust fund, and increases the burden on general revenues, including income taxes paid by working Americans, by $55,000,000,000.

SEC. 411. SENSE OF CONGRESS REGARDING REVENUE ASSUMPTIONS.

(a) FINDINGS.—Congress finds the following:

(1) Corporations and individuals have clear responsibility to adhere to environmental laws. When they do not, and environmental damage results, the Federal and State governments may impose fines and penalties, and assess polluters for the cost of remediation.

(2) Assessment of these costs is important in the enforcement process. They appropriately penalize wrongdoing. They discourage future environmental damage. They ensure that taxpayers do not bear the financial brunt of cleaning up after damages done by polluters.

(3) In the case of the Exxon Valdez oil spill disaster in Prince William Sound, Alaska, for example, the corporate settlement with the Federal Government totaled $900,000,000.

(b) SENSE OF CONGRESS.—It is the sense of Congress that assumptions in this resolution assume an appropriate amount of revenues per year through legislation that will not allow deductions for fines and penalties arising from a failure to comply with Federal or State environmental or health protection laws.

SEC. 412. SENSE OF CONGRESS REGARDING DOMESTIC VIOLENCE.

The assumptions underlying functional totals in this budget resolution include:

(1) FINDINGS.—The Senate finds that:

(A) Violence against women is the leading cause of physical injury to women. The Department of Justice estimates that over 1 million violent crimes against women are committed by domestic partners annually.

(B) Domestic violence dramatically affects the victim's ability to participate in the workforce. A University of Minnesota survey reported that one-quarter of battered women surveyed had lost a job partly because of being abused and that over half of these women had been harassed by their abuser at work.

(C) Domestic violence is often intensified as women seek to gain economic independence through attending school or job training programs. Batterers have been reported to prevent women from attending such programs or sabotage their efforts at self-improvement.

(D) Nationwide surveys of service providers prepared by the Taylor Institute of Chicago, document, for the first time, the interrelationship between domestic violence and welfare by showing that between 50 percent and 80 percent of women in welfare to work programs are current or past victims of domestic violence.

(E) The American Psychological Association has reported that violence against women is usually witnessed by their children, who as a result can suffer severe psychological, cognitive and physical damage and some studies have found that children who witness violence in their homes have a greater propensity to commit violent acts in their homes and communities when they become adults.

(F) Over half of the women surveyed by the Taylor Institute stayed with their batterers because they lacked the resources to support themselves and their children. The surveys also found that the availability of economic support is a critical factor in women's ability to leave abusive situations that threaten themselves and their children.

(G) Proposals to restructure the welfare programs may impact the availability of the economic support and the safety net necessary to enable poor women to flee abuse without risking homelessness and starvation for their families.

(2) SENSE OF CONGRESS.—It is the sense of Congress that:

(A) No welfare reform provision should be enacted by Congress unless and until Congress considers whether such welfare reform provisions would exacerbate violence against women and their children, further endanger women's lives, make it more difficult for women to escape domestic violence, or further punish women victimized by violence.

(B) Any welfare reform measure enacted by Congress should require that any welfare to work, education, or job placement programs implemented by the States address the impact of domestic violence on welfare recipients.

SEC. 413. SENSE OF CONGRESS REGARDING STUDENT LOANS.

(a) FINDINGS.—Congress finds that—

(1) over the last 60 years, education and advancements in knowledge have accounted for 37 percent of our nation's economic growth;

(2) a college degree significantly increases job stability, resulting in an unemployment rate among college graduates less than half that of those with high school diplomas;

(3) a person with a bachelor's degree will average 50–55 percent more in lifetime earnings than a person with a high school diploma;

(4) education is a key to providing alternatives to crime and violence, and is a cost-effective strategy for breaking cycles of poverty and moving welfare recipients to work;

(5) a highly educated populace is necessary to the effective functioning of democracy and to a growing economy, and the opportunity to gain a college education helps advance the American ideals of progress and social equality;

(6) a highly educated and flexible work force is an essential component of economic growth and competitiveness;

(7) for many families, Federal Student Aid Programs make the difference in the ability of students to attend college;

(8) in 1994, nearly 6 million postsecondary students received some kind of financial assistance to help them pay for the costs of schooling;

(9) since 1988, college costs have risen by 54 percent, and student borrowing has increased by 219 percent;

(10) in fiscal year 1996, the Balanced Budget Act achieved savings without reducing student loan limits or increasing fees to students or parents; and

(11) under this budget resolution student loans will increase from $26.6 billion today to $37.4 billion in 2002; the Congressional Budget Office projects that these are the exact same levels that would occur under President Clinton's student loan policies.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the aggregates and functional levels included in this budget resolution assume that savings in student loans can be achieved without any program change that would increase costs to students and parents or decrease accessibility to student loans.

SEC. 414. SENSE OF CONGRESS REGARDING ADDITIONAL CHARGES UNDER THE MEDICARE PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) senior citizens must spend more than 1 dollar in 5 of their limited incomes to purchase the health care they need;

(2) ⅔ of spending under the medicare program under title XVIII of the Social Security Act is for senior citizens with annual incomes of less than $15,000;

(3) fee for service cost increases have forced higher out-of-pocket costs for seniors; and

(4) the current medicare managed care experience has demonstrated that medicare HMO enrollees face lower out-of-pocket costs when they join HMO's in competitive markets; also, over one half of these enrollees pay no medicare premiums and receive extra benefits free of charge, such as prescription drugs and eye glasses, due to competitive market forces.

(b) SENSE OF CONGRESS.—It is the sense of Congress that any reconciliation bill considered during the second session of the 104th Congress should maintain Medicare beneficiaries right to remain in the current Medicare fee-for-service program and also should maintain the existing prohibitions against additional charges by providers under the Medicare fee-for-service program under title XVIII of the Social Security Act ("balance billing"), and that Medicare beneficiaries should be offered the greatest opportunity possible to choose private plans that will offer lower out-of-pocket costs than what they currently pay in the Medicare fee-for-service program, and to choose a health care delivery option that best meets their needs.

SEC. 415. SENSE OF CONGRESS REGARDING REQUIREMENTS THAT WELFARE RECIPIENTS BE DRUG-FREE.

In recognition of the fact that American workers are required to be drug-free in the workplace, it is the sense of Congress that this concurrent resolution on the budget assumes that the States may require welfare recipients to be drug-free as a condition for receiving such benefits and that random drug testing may be used to enforce such requirements.

SEC. 416. SENSE OF CONGRESS ON AN ACCURATE INDEX FOR INFLATION.

(a) FINDINGS.—Congress finds that—

(1) a significant portion of Federal expenditures and revenues are indexed to measurements of inflation; and

(2) a variety of inflation indices exist which vary according to the accuracy with which such indices measure increases in the cost of living; and

(3) Federal Government usage of inflation indices which overstate true inflation has the demonstrated effect of accelerating Federal spending, increasing the Federal budget deficit, increasing Federal borrowing, and thereby enlarging the projected burden on future American taxpayers.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the assumptions underlying this budget resolution include that all Federal spending and revenues which are indexed for inflation should be calibrated by the most accurate inflation indices which are available to the Federal Government.

SEC. 417. SENSE OF CONGRESS THAT THE 1993 INCOME TAX INCREASE ON SOCIAL SECURITY BENEFITS SHOULD BE REPEALED.

(a) FINDINGS.—Congress finds that—

(1) the fiscal year 1994 budget proposal of President Clinton to raise Federal income taxes on the Social Security benefits of senior citizens with income as low as $25,000, and those provisions of the fiscal year 1994 recommendations of the Budget Resolution and the 1993 Omnibus Budget Reconciliation Act in which the One Hundred Third Congress voted to raise Federal income taxes on the Social Security benefits of senior citizens with income as low as $34,000 should be repealed;

(2) President Clinton has stated that he believes he raised Federal taxes too much in 1993; and

(3) the budget resolution should react to President Clinton's fiscal year 1997 budget which documents the fact that in the history of the United States, the total tax burden has never been greater than it is today.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the assumptions underlying this resolution include—

(1) that raising Federal income taxes in 1993 on the Social Security benefits of middle-class individuals with income as low as $34,000 was a mistake;

(2) that the Federal income tax hike on Social Security benefits imposed in 1993 by the One Hundred Third Congress and signed into law by President Clinton should be repealed; and

(3) President Clinton should work with Congress to repeal the 1993 Federal income tax hike on Social Security benefits in a manner that would not adversely affect the Social Security Trust Fund or the Medicare Part A Trust Fund, and should ensure that such repeal is coupled with offsetting reductions in Federal spending.

SEC. 418. SENSE OF CONGRESS REGARDING THE ADMINISTRATION'S PRACTICE REGARDING THE PROSECUTION OF DRUG SMUGGLERS.

(a) FINDINGS.—Congress finds that—

(1) drug use is devastating to the Nation, particularly among juveniles, and has led juveniles to become involved in interstate gangs and to participate in violent crime;

(2) drug use has experienced a dramatic resurgence among our youth;

(3) the number of youths aged 12–17 using marijuana has increased from 1.6 million in 1992 to 2.9 million in 1994, and the category of "recent marijuana use" increased a staggering 200 percent among 14- to 15-year-olds over the same period;

(4) since 1992, there has been a 52 percent jump in the number of high school seniors using drugs on a monthly basis, even as worrisome declines are noted in peer disapproval of drug use;

(5) 1 in 3 high school students uses marijuana;

(6) 12- to 17-year-olds who use marijuana are 85 percent more likely to graduate to cocaine than those who abstain from marijuana;

(7) juveniles who reach 21 without ever having used drugs almost never try them later in life;

(8) the latest results from the Drug Abuse Warning Network show that marijuana-related episodes jumped 39 percent and are running at 155 percent above the 1990 level, and that methamphetamine cases have risen 256 percent over the 1991 level;

(9) between February 1993 and February 1995 the retail price of a gram of cocaine fell from $172 to $137, and that of a gram of heroin also fell from $2,032 to $1,278;

(10) it has been reported that the Department of Justice, through the United States Attorney for the Southern District of California, has adopted a policy of allowing certain foreign drug smugglers to avoid prosecution altogether by being released to Mexico;

(11) it has been reported that in the past year approximately 2,300 suspected narcotics traffickers were taken into custody for bringing illegal drugs across the border, but approximately one in four were returned to their country of origin without being prosecuted;

(12) it has been reported that the United States Customs Service is operating under guidelines limiting any prosecution in marijuana cases to cases involving 125 pounds of marijuana or more;

(13) it has been reported that suspects possessing as much as 32 pounds of methamphetamine and 37,000 Quaalude tablets were not prosecuted but were, instead, allowed to return to their countries of origin after their drugs and vehicles were confiscated;

(14) it has been reported that after a seizure of 158 pounds of cocaine, one defendant was cited

and released because there was no room at the Federal jail and charges against her were dropped;

(15) it has been reported that some smugglers have been caught two or more times—even in the same week—yet still were not prosecuted;

(16) the number of defendants prosecuted for violations of the Federal drug laws has dropped from 25,033 in 1992 to 22,926 in 1995;

(17) this Congress has increased the funding of the Federal Bureau of Prisons by 11.7 percent over the 1995 appropriations level; and

(18) this Congress has increased the funding of the Immigration and Naturalization Service by 23.5 percent over the 1995 appropriations level.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the function totals and aggregates underlying this resolution assume that the Attorney General should promptly investigate this matter and report, within 30 days, to the Chair of the Senate and House Committees on the Judiciary; and

(2) the Attorney General should ensure that cases involving the smuggling of drugs into the United States are vigorously prosecuted.

SEC. 419. SENSE OF CONGRESS ON CORPORATE SUBSIDIES.

It is the sense of Congress that the functional levels and aggregates in this budget resolution assume that—

(1) the Federal budget contains tens of billions of dollars in payments, benefits and programs that primarily assist profit-making enterprises and industries rather than provide a clear and compelling public interest;

(2) corporate subsidies can provide unfair competitive advantages to certain industries and industry segments;

(3) at a time when millions of Americans are being asked to sacrifice in order to balance the budget, the corporate sector should bear its share of the burden; and

(4) Federal payments, benefits, and programs which predominantly benefit a particular industry or segment of an industry, rather than provide a clear and compelling public benefit, should be reformed or terminated in order to provide additional tax relief, deficit reduction, or to achieve the savings necessary to meet this resolution's instructions and levels.

SEC. 420. SENSE OF CONGRESS REGARDING WELFARE REFORM.

(a) Congress finds that—

(1) this resolution assumes substantial savings from welfare reform; and

(2) children born out of wedlock are five times more likely to be poor and about ten times more likely to be extremely poor and therefore are more likely to receive welfare benefits than children from two parent families; and

(3) high rates of out-of-wedlock births are associated with a host of other social pathologies; for example, children of single mothers are twice as likely to drop out of high school; boys whose fathers are absent are more likely to engage in criminal activities; and girls in single-parent families are three times more likely to have children out of wedlock themselves.

(b) It is the sense of Congress that any comprehensive legislation sent to the President that balances the budget by a certain date and that includes welfare reform provisions and that is agreed to by Congress and the President shall also contain to the maximum extent possible a strategy for reducing the rate of out-of-wedlock births and encouraging family formation.

SEC. 421. SENSE OF CONGRESS ON FCC SPECTRUM AUCTIONS.

It is the sense of Congress that—

(1) the Congressional Budget Office has scored revenue expected to be raised from the auction of Federal Communications Commission licenses for various services;

(2) for budget scoring purposes, Congress has assumed that such auctions would occur in a prompt and expeditious manner and that revenue raised by such auctions would flow to the Federal treasury;

(3) this resolution assumes that the revenue to be raised from auctions totals billions of dollars;

(4) this resolution makes assumptions that services would be auctioned where the Federal Communications Commission has not yet conducted auctions for such services, such as Local Multipoint Distribution Service (LMDS), licenses for paging services, final broadband PCS licenses, narrow band PCS licenses, licenses for unserved cellular, and Digital Audio Radio (DARS), and other subscription services, revenue from which has been assumed in Congressional budgetary calculations and in determining the level of the deficit; and

(5) the Commission's service rules can dramatically affect license values and auction revenues and therefore the Commission should act expeditiously and without further delay to conduct auctions of licenses in a manner that maximizes revenue, increases efficiency, and enhances competition.

SEC. 422. SENSE OF THE HOUSE ON EMERGENCIES.

(a) FINDINGS.—The House of Representatives finds that:

(1) The Budget Enforcement Act of 1990 exempted from the discretionary spending limits and the Pay-As-You-Go requirements for entitlement and tax legislation funding requirements that are designated by Congress and the President as an emergency.

(2) Congress and the President have increasingly misused the emergency designation by—

(A) designating as emergencies funding requirements that are predictable and do not pose a threat to life, property, or national security,

(B) designating emergencies with the sole purpose of circumventing statutory and congressional spending limitations, and

(C) adding to emergency legislation controversial items that would not otherwise withstand public scrutiny.

(b) SENSE OF THE HOUSE.—It is the sense of the House of Representatives that in order to balance the Federal budget Congress should consider alternative approaches to budgeting for emergencies, including codifying the definition of an emergency, establishing contingency funds to pay for emergencies, and fully offsetting the costs of emergencies with rescissions of spending authority that would have been obligated but for the rescission.

SEC. 423. SENSE OF THE SENATE ON FUNDING TO ASSIST YOUTH AT RISK.

(a) FINDINGS.—The Senate finds that—

(1) there is an increasing prevalence of violence and drug use among this country's youth;

(2) in recognizing the magnitude of this problem, the Federal Government must continue to maximize efforts in addressing the increasing prevalence of violence and drug use among this country's youth, with necessary adherence to budget guidelines and proven program effectiveness;

(3) the Federal Bureau of Investigation reports that between 1985 and 1994, juvenile arrests for violent crime increased by 75 percent nationwide;

(4) the United States Attorney General reports that 20 years ago, fewer than half our cities reported gang activity and now, a generation later, reasonable estimates indicate that there are more than 500,000 gang members in more than 16,000 gangs on the streets of our cities resulting in more than 580,000 gang-related crimes in 1993;

(5) the Justice Department's Office of Juvenile Justice and Delinquency Prevention reports that in 1994, law enforcement agencies made over 2,700,000 arrests of persons under age 18, with juveniles accounting for 19 percent of all violent crime arrests across the country;

(6) the Congressional Task Force on National Drug Policy recently set forth a series of recommendations for strengthening the criminal justice and law enforcement effort, including domestic prevention efforts reinforcing the idea that prevention begins at home;

(7) the Office of National Drug Control Policy reports that between 1991 and 1995, marijuana use among 8th, 10th, and 12th graders has increased and is continuing to spiral upward; and

(8) the Center for Substance Abuse Prevention reports that in 1993, substance abuse played a role in over 70 percent of rapes, over 60 percent of incidents of child abuse, and almost 60 percent of murders nationwide.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the function totals and aggregates underlying this concurrent resolution on the budget assume that—

(1) sufficient funding should be provided to programs of proven program effectiveness which assist youth at risk to reduce illegal drug use and the incidence of youth crime and violence;

(2) priority should be given to determine "what works" through scientifically recognized, independent evaluations of existing programs to maximize the Federal investment and efforts should be made to reform those programs of no proven benefit;

(3) efforts should be made to ensure coordination and eliminate duplication among federally supported at-risk youth programs; and

(4) special efforts should be made to increase successful interdiction of the flow of illegal drugs into the United States and into communities nationwide.

SEC. 424. SENSE OF THE SENATE ON LONG-TERM TRENDS IN BUDGET ESTIMATES.

It is the sense of the Senate that—

(1) the report accompanying a concurrent resolution on the budget should include an analysis, prepared after consultation with the Director of the Congressional Budget Office, of the concurrent resolution's impact on likely budgetary trends during the next 30 fiscal years; and

(2) the President should include in his budget each year, an analysis of the budget's impact on revenues and outlays for entitlements for the period of 30 fiscal years, and that the President should also include likely budgetary trends during the next 30 fiscal years, and that the President should also include generational accounting information each year in the President's budget.

SEC. 425. SENSE OF THE SENATE ON REPEAL OF THE GAS TAX.

(a) FINDINGS.—The Senate finds that—

(1) the President originally proposed a $72,000,000,000 energy excise tax (the so-called BTU tax) as part of the Omnibus Budget Reconciliation Act of 1993 (OBRA 93) which included a new tax on transportation fuels;

(2) in response to opposition in the Senate to the BTU tax, the President and Congress adopted instead a new 4.3 cents per gallon transportation fuels tax as part of OBRA 93, which represented a 30 percent increase in the existing motor fuels tax;

(3) the OBRA 93 transportation fuels tax has cost American motorists an estimated $14,000,000,000 to $15,000,000,000 since it went into effect on October 1, 1993;

(4) the OBRA 93 transportation fuels tax is regressive, creating a larger financial impact on lower and middle income motorists than on upper income motorists;

(5) the OBRA 93 transportation fuels tax imposes a disproportionate burden on rural citizens who do not have access to public transportation services, and who must rely on their

automobiles and drive long distances, to work, to shop, and to receive medical care;

(6) the average American faces a substantial tax burden, and the increase of this tax burden through the OBRA 93 transportation fuels tax represented and continues to represent an inappropriate and unwarranted means of reducing the Nation's budget deficit;

(7) retail gasoline prices in the United States have increased an average of 19 cents per gallon since the beginning of the year to the highest level since the Persian Gulf War, and the OBRA 93 transportation fuels tax exacerbates the impact of this price increase on consumers;

(8) continuation of the OBRA 93 transportation fuels tax will exacerbate the impact on consumers of any future gasoline price spikes that result from market conditions; and

(9) the fiscal year 1997 budget resolution will assume a net tax cut totaling $122,000,000,000 over six years, which exceeds the revenue impact of a repeal of the OBRA 93 transportation fuels tax, and will establish a reserve fund which may be used to provide other forms of tax relief, including relief from the OBRA 93 transportation fuels tax, on a deficit neutral basis.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the revenue levels and procedures in this resolution provide that—

(1) Congress and the President should immediately approve legislation to repeal the 4.3 cents per gallon transportation fuels tax contained in the Omnibus Budget Reconciliation Act of 1993 through the end of 1996;

(2) Congress and the President should approve, through the fiscal year 1997 budget process, legislation to permanently repeal the 4.3 cents per gallon transportation fuels tax contained in the Omnibus Budget Reconciliation Act of 1993; and

(3) the savings generated by the repeal of the 4.3 cents per gallon transportation fuels tax contained in OBRA 93 should be fully passed on to consumers.

SEC. 426. SENSE OF THE SENATE REGARDING THE USE OF BUDGETARY SAVINGS.

(a) FINDINGS.—The Senate finds that—

(1) in August of 1994, the Bipartisan Commission on Entitlement and Tax Reform issued an Interim Report to the President, which found that, "To ensure that today's debt and spending commitments do not unfairly burden America's children, the Government must act now. A bipartisan coalition of Congress, led by the President, must resolve the long-term imbalance between the Government's entitlement promises and the funds it will have available to pay for them";

(2) unless Congress and the President act together in a bipartisan way, overall Federal spending is projected by the Commission to rise from the current level of slightly over 22 percent of the Gross Domestic Product of the United States (hereafter in this section referred as "GDP") to over 37 percent of GDP by the year 2030;

(3) the source of that growth is not domestic discretionary spending, which is approximately the same portion of GDP now as it was in 1969, the last time at which the Federal budget was in balance;

(4) mandatory spending was only 29.6 percent of the Federal budget in 1963, but is estimated to account for 72 percent of the Federal budget in the year 2003;

(5) social security, medicare and medicaid, together with interest on the national debt, are the largest sources of the growth of mandatory spending;

(6) ensuring the long-term future of the social security system is essential to protecting the retirement security of the American people;

(7) the Social Security Trust Fund is projected to begin spending more than it takes in by approximately the year 2013, with Federal budget deficits rising rapidly thereafter unless appropriate policy changes are made;

(8) ensuring the future of medicare and medicaid is essential to protecting access to high-quality health care for senior citizens and poor women and children;

(9) Federal health care expenses have been rising at double digit rates, and are projected to triple to 11 percent of GDP by the year 2030 unless appropriate policy changes are made; and

(10) due to demographic factors, Federal health care expenses are projected to double by the year 2030, even if health care cost inflation is restrained after 1999, so that costs for each person of a given age grow no faster than the economy.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that budget savings in the mandatory spending area should be used—

(1) to protect and enhance the retirement security of the American people by ensuring the long-term future of the social security system;

(2) to protect and enhance the health care security of senior citizens and poor Americans by ensuring the long-term future of Medicare and Medicaid; and

(3) to restore and maintain Federal budget discipline, to ensure that the level of private investment necessary for long-term economic growth and prosperity is available.

SEC. 427. SENSE OF THE SENATE REGARDING THE TRANSFER OF EXCESS GOVERNMENT COMPUTERS TO PUBLIC SCHOOLS.

(a) ASSUMPTIONS.—The figures contained in this resolution are based on the following assumptions:

(1) America's children must obtain the necessary skills and tools needed to succeed in the technologically advanced 21st century;

(2) Executive Order 12999 outlines the need to make modern computer technology an integral part of every classroom, provide teachers with the professional development they need to use new technologies effectively, connect classrooms to the National Information Infrastructure, and encourage the creation of excellent education software;

(3) many private corporations have donated educational software to schools, which are lacking the necessary computer hardware to utilize this equipment;

(4) current inventories of excess Federal Government computers are being conducted in each Federal agency; and

(5) there is no current communication being made between Federal agencies with this excess equipment and the schools in need of these computers.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals and aggregates in this budget resolution assume that the General Services Administration should place a high priority on facilitating direct transfer of excess Federal Government computers to public schools and community-based educational organizations.

SEC. 428. SENSE OF THE SENATE ON FEDERAL RETREATS.

It is the sense of the Senate that the assumptions underlying the function totals and aggregates in this resolution assume that all Federal agencies will refrain from using Federal funds for expenses incurred during training sessions or retreats off Federal property, unless Federal property is not available.

SEC. 429. SENSE OF THE SENATE REGARDING THE ESSENTIAL AIR SERVICE PROGRAM OF THE DEPARTMENT OF TRANSPORTATION.

(a) FINDINGS.—The Senate finds that—

(1) the essential air service program of the Department of Transportation under subchapter II of chapter 417 of title 49, United States Code—

(A) provides essential airline access to isolated rural communities across the United States;

(B) is necessary for the economic growth and development of rural communities;

(C) connects small rural communities to the national air transportation system of the United States;

(D) is a critical component of the national transportation system of the United States; and

(E) provides air service to 108 communities in 30 States; and

(2) the National Commission to Ensure a Strong Competitive Airline Industry established under section 204 of the Airport and Airway Safety, Capacity, Noise Improvement, and Intermodal Transportation Act of 1992 recommended maintaining the essential air service program with a sufficient level of funding to continue to provide air service to small communities.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the essential air service program of the Department of Transportation under subchapter II of chapter 417 of title 49, United States Code, should receive a sufficient level of funding to continue to provide air service to small rural communities that qualify for assistance under the program.

SEC. 430. SENSE OF THE SENATE REGARDING EQUAL RETIREMENT SAVINGS FOR HOMEMAKERS.

(a) FINDINGS.—The Senate finds that the assumptions of this budget resolution take into account that—

(1) by teaching and feeding our children and caring for our elderly, American homemakers are an important, vital part of our society;

(2) homemakers retirement needs are the same as all Americans, and thus they need every opportunity to save and invest for retirement;

(3) because they are living on a single income, homemakers and their spouses often have less income for savings;

(4) individual retirement accounts are provided by Congress in the Internal Revenue Code to assist Americans for retirement savings;

(5) currently, individual retirement accounts permit workers other than homemakers to make deductible contributions of $2,000 a year, but limit homemakers to deductible contributions of $250 a year;

(6) limiting homemakers individual retirement account contributions to an amount less than the contributions of other workers discriminates against homemakers.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the revenue level assumed in this budget resolution provides for legislation to make individual retirement account deductible contribution limits for homemakers equal to the individual retirement account deductible contribution limits for all other American workers, and that Congress and the President should immediately approve such legislation in the appropriate reconciliation vehicle.

SEC. 431. SENSE OF THE SENATE ON THE NATIONAL INSTITUTES OF HEALTH FUNDING FOR ANTI-ADDICTION DRUGS.

It is the sense of the Senate that amounts appropriated for the National Institutes of Health should provide funding for additional research on an anti-addiction drug to block the craving for illicit addictive substances.

SEC. 432. SENSE OF THE SENATE REGARDING THE EXTENSION OF THE EMPLOYER EDUCATION ASSISTANCE EXCLUSION UNDER SECTION 127 OF THE INTERNAL REVENUE CODE OF 1986.

(a) FINDINGS.—The Senate finds that—

(1) since 1978, over 7,000,000 American workers have benefited from the employer education assistance exclusion under section 127 of the Internal Revenue Code of 1986 by being able to improve their education and acquire new skills without having to pay taxes on the benefit;

(2) American companies have benefited by improving the education and skills of their employees who in turn can contribute more to their company;

(3) the American economy becomes more globally competitive because an educated workforce is able to produce more and to adapt more rapidly to changing technologies;

(4) American companies are experiencing unprecedented global competition and the value and necessity of life-long education for their employees has increased;

(5) the employer education assistance exclusion was first enacted in 1978;

(6) the exclusion has been extended 7 previous times;

(7) the last extension expired December 31, 1994; and

(8) the exclusion has received broad bipartisan support.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the revenue level assumed in the Budget Resolution accommodate an extension of the employer education assistance exclusion under section 127 of the Internal Revenue Code of 1986 from January 1, 1995, through December 31, 1996.

SEC. 433. SENSE OF THE SENATE REGARDING THE ECONOMIC DEVELOPMENT ADMINISTRATION PLACING HIGH PRIORITY ON MAINTAINING FIELD-BASED ECONOMIC DEVELOPMENT REPRESENTATIVES.

(a) FINDINGS.—The Senate makes the following findings:

(1) The Economic Development Administration plays a crucial role in helping economically disadvantaged regions of the United States develop infrastructure that supports and promotes greater economic activity and growth, particularly in nonurban regions.

(2) The Economic Development Administration helps to promote industrial park development, business incubators, water and sewer system improvements, vocational and technical training facilities, tourism development strategies, technical assistance and capacity building for local governments, economic adjustment strategies, revolving loan funds, and other projects which the private sector has not generated or will not generate without some assistance from the Government through the Economic Development Administration.

(3) The Economic Development Administration maintains 6 regional offices which oversee staff that are designated field-based representatives of the Economic Development Administration, and these field-based representatives provide valuable expertise and counseling on economic planning and development to nonurban communities.

(4) The Economic Development Administration Regional Centers are located in the urban areas of Austin, Seattle, Denver, Atlanta, Philadelphia, and Chicago.

(5) Because of a 37-percent reduction in approved funding for salaries and expenses from fiscal year 1995, the Economic Development Administration has initiated staff reductions requiring the elimination of 8 field-based positions. The field-based economic development representative positions that are either being eliminated or not replaced after voluntary retirement and which currently interact with nonurban communities on economic development efforts cover the States of New Mexico, Arizona, Nevada, North Dakota, Oklahoma, Illinois, Indiana, Maine, Connecticut, Rhode Island, and North Carolina.

(6) These staff cutbacks will adversely affect States with very low per-capita personal income, including New Mexico which ranks 47th in the Nation in per-capita personal income, Oklahoma ranking 46th, North Dakota ranking 42nd, Arizona ranking 35th, Maine ranking 34th, and North Carolina ranking 33rd.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the functional totals and aggregates underlying this budget resolution assume that—

(1) it is regrettable that the Economic Development Administration has elected to reduce field-based economic development representatives who are fulfilling the Economic Development Administration's mission of interacting with and counseling nonurban communities in economically disadvantaged regions of the United States;

(2) the Economic Development Administration should take all necessary and appropriate actions to ensure that field-based economic development representation receives high priority; and

(3) the Economic Development Administration should reconsider the planned termination of field-based economic development representatives responsible for States that are economically disadvantaged, and that this reconsideration take place without delay.

SEC. 434. SENSE OF THE SENATE ON LIHEAP.

(a) FINDINGS—The Senate finds that:

(1) Home energy assistance for working and low-income families with children, the elderly on fixed incomes, the disabled, and others who need such aid is a critical part of the social safety net in cold-weather areas during the winter, and a source of necessary cooling aid during the summer;

(2) LIHEAP is a highly targeted, cost-effective way to help millions of low-income Americans pay their home energy bills. More than two-thirds of LIHEAP-eligible households have annual incomes of less than $8,000, more than one-half have annual incomes below $6,000; and

(3) LIHEAP funding has been substantially reduced in recent years, and cannot sustain further spending cuts if the program is to remain a viable means of meeting the home heating and other energy-related needs of low-income families, especially those in cold-weather States.

(b) SENSE OF THE SENATE.—The assumptions underlying this budget resolution assume that it is the sense of the Senate that the funds made available for LIHEAP for fiscal year 1997 will be not less than the actual expenditures made for LIHEAP in fiscal year 1996.

SEC. 435. SENSE OF THE SENATE ON DAVIS-BACON.

Notwithstanding any provision of this resolution, it is the sense of the Senate that the provisions in this resolution do not assume the repeal but rather reform of the Davis-Bacon Act.

SEC. 436. SENSE OF THE SENATE ON REIMBURSEMENT OF THE UNITED STATES FOR OPERATIONS SOUTHERN WATCH AND PROVIDE COMFORT.

(a) FINDINGS.—The Senate finds that—

(1) as of May 1996, the United States has spent $2,937,000,000 of United States taxpayer funds since the conclusion of the Gulf War in 1991 for the singular purpose of protecting the Kurdish and Shiite population from Iraqi aggression;

(2) the President's defense budget request for 1997 includes an additional $590,100,000 for Operations Southern Watch and Provide Comfort, both of which are designed to restrict Iraqi military aggression against the Kurdish and Shiite people of Iraq;

(3) costs for these military operations constitute part of the continued budget deficit of the United States; and

(4) United Nations Security Council Resolution 986 (1995) (referred to as "SCR 986") would allow Iraq to sell up to $1,000,000,000 in petroleum and petroleum products every 90 days, for an initial period of 180 days.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the assumptions underlying the function totals and aggregates in this resolution assume that—

(1) the President should instruct the United States Permanent Representative to the United Nations to ensure any subsequent extension of authority beyond the 180 days originally provided by SCR 986 specifically mandates and authorizes the reimbursement of the United States for costs associated with Operations Southern Watch and Provide Comfort out of revenues generated by any sale of petroleum or petroleum-related products originating from Iraq;

(2) in the event that the United States Permanent Representative to the United Nations fails to modify the terms of any subsequent resolution extending the authority granted by SCR 986 as called for in paragraph (1), the President should reject any United Nations' action or resolution seeking to extend the terms of the oil sale beyond the 180 days authorized by SCR 986;

(3) the President should take the necessary steps to ensure that—

(A) any effort by the United Nations to temporarily lift the trade embargo for humanitarian purposes, specifically the sale of petroleum or petroleum products, restricts all revenues from such sale from being diverted to benefit the Iraqi military; and

(B) the temporary lifting of the trade embargo does not encourage other countries to take steps to begin promoting commercial relations with the Iraqi military in expectation that sanctions will be permanently lifted; and

(4) revenues reimbursed to the United States from the oil sale authorized by SCR 986, or any subsequent action or resolution, should be used to reduce the Federal budget deficit.

SEC. 437. SENSE OF THE SENATE ON SOLVENCY OF THE MEDICARE TRUST FUND.

(a) FINDINGS.—The Senate finds that repeal of certain provisions from the Omnibus Budget Reconciliation Act of 1993 would move the insolvency date of the HI (Medicare) Trust Fund forward by a full year.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that no provisions in this budget resolution should worsen the solvency of the Medicare Trust Fund.

SEC. 438. SENSE OF THE SENATE ON THE PRESIDENTIAL ELECTION CAMPAIGN FUND.

It is the sense of the Senate that the assumptions underlying the functional totals in this resolution assume that when the Finance Committee meets its outlay and revenue obligations under this resolution the committee should not make any changes in the Presidential Election Campaign Fund or its funding mechanism and should meet its revenue and outlay targets through other programs within its jurisdiction.

SEC. 439. SENSE OF THE SENATE REGARDING THE FUNDING OF AMTRAK.

(a) FINDINGS.—The Senate finds that—

(1) a capital funding stream is essential to the ability of the National Rail Passenger Corporation ("Amtrak") to reduce its dependence on Federal operating support; and

(2) Amtrak needs a secure source of financing, no less favorable than provided to other modes of transportation, for capital improvements.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that—

(1) revenues attributable to one-half cent per gallon of the excise taxes imposed on gasoline, special motor fuel, and diesel fuel from the Mass Transit Account should be dedicated to a new Intercity Passenger Rail Trust Fund during the period January 1, 1997, through September 30, 2001;

(2) revenues would not be deposited in the Intercity Passenger Rail Trust Fund during any fiscal year to the extent that the deposit is estimated to result in available revenues in the Mass Transit Account being insufficient to satisfy that year's estimated appropriation levels;

(3) monies in the Intercity Passenger Rail Trust Fund should be generally available to

fund, on a reimbursement basis, capital expenditures incurred by Amtrak;

(4) amounts to fund capital expenditures related to rail operations should be set aside for each State that has not had Amtrak service in such State for the preceding year; and

(5) funding provided by the Intercity Passenger Rail Trust Fund shall be made available subject to appropriations and shall not increase mandatory spending.

And the Senate agree to the same.

From the Committee on the Budget, for consideration of the House concurrent resolution and the Senate amendment, and modifications committed to conference:

JOHN KASICH,
DAVE HOBSON,
BOB WALKER,
JIM KOLBE,
CHRISTOPHER SHAYS,
WALLY HERGER,
Managers on the Part of the House.

PETE V. DOMENICI,
CHUCK GRASSLEY,
DON NICKLES,
PHIL GRAMM,
CHRISTOPHER S. BOND,
SLADE GORTON,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the Senate and the House at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the concurrent resolution (House Concurrent Resolution 178), setting forth the congressional budget for the United States for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommend in the accompanying conference report:

The Senate amendment struck out all of the House resolution after the resolving clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House resolution and the Senate amendment.

EXPLANATION OF THE CONFERENCE AGREEMENT

PRINCIPAL COMPONENTS OF THE CONFERENCE AGREEMENT

The conference agreement on the budget resolution for fiscal year 1997 achieves a balanced Federal budget by 2002. It calls for tax relief of $122.4 billion over 6 years, principally through a $500-per-child middle-class tax credit. It recommends comprehensive reform of the Nation's failed welfare system, slowing the growth of Federal welfare spending by $53 billion over 6 years, and restraining the increase in Federal Medicaid spending by $72 billion over 6 years.

The agreement also endorses comprehensive reform of the Medicare program for the Nation's seniors and disabled beneficiaries. Under the plan assumed in the conference agreement, the solvency of the Medicare Part A [hospital insurance] trust fund would be extended 10 years. Total Medicare spending would increase an average of 6.2 percent a year, with a 6-year spending total of $1.479 trillion. Spending per beneficiary would increase, on average, from $5,200 in 1996 to $7,000 in 2002. These spending levels assume no increases in beneficiary copayments or deductibles.

The conference agreement also reflects House and Senate emphasis on funding national priorities such as strengthening national security, enhancing benefits for the Nation's veterans, boosting law enforcement and crime prevention, improving education, protecting the environment and the Nation's parks, advancing basic research to create new knowledge, and transitioning agriculture to a more market-oriented system.

DISPLAYS AND AMOUNTS

The contents of concurrent budget resolutions are set forth in section 301(a) of the Congressional Budget Act of 1974.

House Resolution. The House budget resolution includes all of the items required as part of a concurrent budget resolution under section 301(a) of the Congressional Budget Act other than the spending and revenue levels for Social Security (which is used to enforce a point of order applicable only in the Senate).

Senate Amendment. The Senate amendment includes all of the items required under section 301(a) of the Congressional Budget Act. As permitted under section 301(b) of the Congressional Budget Act, section 102 of the Senate amendment includes amounts of the increase in the public debt subject to limitation. Section 101(1)(c) of the Senate amendment also includes the total amount of revenues from payroll taxes for Medicare Part A.

Conference Agreement. The House recedes to the Senate amendment.

AGGREGATES AND FUNCTION LEVELS

HOUSE RESOLUTION

[In millions of dollars]

		Fiscal year— 1997	1998	1999	2000	2001	2002	1997–2002
Total Spending:								
On-budget	BA	1,311,284	1,357,208	1,386,338	1,428,397	1,450,450	1,497,756	8,431,433
	O	1,306,921	1,350,905	1,379,428	1,413,490	1,428,809	1,463,504	8,343,057
Off-budget	BA	318,579	335,264	347,616	358,261	376,514	388,716	2,124,950
	O	311,138	324,587	334,239	348,791	365,011	378,874	2,062,640
Total	BA	1,629,863	1,692,472	1,733,954	1,786,658	1,826,964	1,886,472	10,556,383
	O	1,618,059	1,675,492	1,713,667	1,762,281	1,793,820	1,842,378	10,405,697
Revenues:								
On-budget		1,085,197	1,130,260	1,176,070	1,229,500	1,288,832	1,358,053	7,267,912
Off-budget		385,176	402,448	423,586	445,268	465,321	487,510	2,609,309
Total		1,470,373	1,532,708	1,599,656	1,674,768	1,754,153	1,845,563	9,877,221
Deficit/Surplus:								
On-budget		221,724	220,645	203,358	183,990	139,977	105,451	1,075,145
Off-budget		−74,038	−77,861	−89,347	−96,477	−100,310	−108,636	−546,669
Total		147,686	142,784	114,011	87,513	39,667	−3,185	528,476
050: National Defense								
	BA	267,183	268,958	271,677	274,377	277,121	280,101	1,639,417
	O	264,846	263,618	267,049	270,841	270,025	270,122	1,606,501
150: International Affairs								
	BA	13,732	11,551	10,576	11,089	10,890	11,009	68,847
	O	14,963	13,484	12,467	11,025	10,584	10,281	72,804
250: General Science, Space, and Technology								
	BA	16,537	16,428	16,313	16,159	15,934	15,602	96,973
	O	16,697	16,494	16,224	16,111	15,943	15,673	97,142
270: Energy								
	BA	2,380	2,441	2,034	1,697	1,782	1,430	11,764
	O	2,729	2,078	1,327	815	740	231	7,920
300: Natural Resources and Environment								
	BA	20,529	18,902	19,713	18,399	18,994	18,860	115,397
	O	21,322	19,654	20,409	18,950	19,205	18,910	118,450
350: Agriculture								
	BA	11,840	11,750	11,367	10,714	9,497	8,964	64,132
	O	10,238	9,855	9,483	8,843	7,730	7,181	53,330
370: Commerce and Housing Credit								
On-budget	BA	7,838	9,464	10,476	12,448	11,268	11,598	63,092
	O	−2,319	5,752	6,043	7,320	7,283	7,218	31,297
Off-budget	BA	1,119	4,724	3,627	402	3,394	0	13,266
	O	720	1,581	−1,666	−479	1,112	0	1,268
Total	BA	8,957	14,188	14,103	12,850	14,662	11,598	76,358
	O	−1,599	7,333	4,377	6,841	8,395	7,218	32,565

HOUSE RESOLUTION—Continued

[In millions of dollars]

		Fiscal year— 1997	1998	1999	2000	2001	2002	1997–2002
400: Transportation								
	BA	41,737	43,541	43,961	44,103	44,531	45,045	262,918
	O	39,007	37,635	36,111	35,236	34,526	34,042	216,557
450: Community and Regional Development								
	BA	6,672	6,605	6,559	6,595	6,243	6,153	38,827
	O	10,149	8,640	7,820	7,040	6,655	6,161	46,465
500: Education, Training, Employment, and Social Services								
	BA	46,965	47,416	48,046	48,696	49,410	50,092	290,625
	O	49,504	48,112	47,817	48,209	48,704	49,335	291,681
550: Health								
	BA	129,918	137,726	144,995	152,961	161,114	167,926	894,640
	O	130,276	138,064	145,168	152,890	160,789	167,476	894,663
570: Medicare								
	BA	193,165	207,183	217,250	229,309	241,641	255,121	1,343,669
	O	191,481	205,458	214,978	227,560	239,907	252,720	1,332,104
600: Income Security								
	BA	232,612	241,254	244,842	262,510	262,260	281,100	1,524,578
	O	240,107	244,185	251,716	263,060	265,271	277,213	1,541,552
650: Social Security								
On-budget	BA	7,812	8,476	9,219	9,979	10,775	11,607	57,868
	BA	10,543	11,213	11,922	12,662	13,458	14,290	74,088
Off-budget	BA	364,638	382,465	401,221	421,027	442,532	465,007	2,476,890
	O	357,596	374,931	393,137	412,438	433,311	455,165	2,426,578
Total	BA	372,450	390,941	410,440	431,006	453,307	476,614	2,534,758
	O	368,139	386,144	405,059	425,100	446,769	469,455	2,500,666
700: Veterans Benefits and Services								
	BA	39,117	38,458	37,712	37,713	38,002	39,713	230,715
	O	39,654	39,321	38,063	39,427	36,882	39,912	233,259
750: Administration of Justice								
	BA	22,125	22,302	23,186	23,235	20,746	20,740	132,334
	O	19,930	21,162	22,241	22,944	20,704	20,700	127,681
800: General Government								
	BA	11,372	13,314	12,592	12,987	12,549	13,020	75,834
	O	11,747	13,640	12,928	13,364	12,454	12,321	76,454
900: Net Interest								
On-budget	BA	282,653	288,947	292,607	294,004	298,041	302,443	1,758,695
	O	282,653	288,947	292,607	294,004	298,041	302,443	1,758,695
Off-budget	BA	−40,555	−44,900	−49,690	−54,979	−60,722	−66,864	−317,710
	O	−40,555	−44,900	−49,690	−54,979	−60,722	−66,864	−317,710
Total	BA	242,098	244,047	242,917	239,025	237,319	235,579	1,440,985
	O	242,098	244,047	242,917	239,025	237,319	235,579	1,440,985
920: Allowances								
	BA	2,671	−1,934	−2,025	−2,038	−2,026	−2,182	−7,534
	O	−1,032	−833	−183	−271	−1,770	−2,139	−6,228
950: Offsetting Receipts								
On-budget	BA	−45,574	−35,574	−34,762	−36,540	−38,322	−40,586	−231,358
	O	−45,574	−35,574	−34,762	−36,540	−38,322	−40,586	−231,358
Off-budget	BA	−6,623	−7,025	−7,542	−8,189	−8,690	−9,427	−47,496
	O	−6,623	−7,025	−7,542	−8,189	−8,690	−9,427	−47,496
Total	BA	−52,197	−42,599	−42,304	−44,729	−47,012	−50,013	−278,854
	O	−52,197	−42,599	−42,304	−44,729	−47,012	−50,013	−278,854

SENATE AMENDMENT

[In billions of dollars]

		Fiscal year— 1997	1998	1999	2000	2001	2002	1997–2002
Total Spending:								
On-budget	BA	1,321.6	1,360.9	1,391.6	1,434.7	1,455.7	1,499.1	8,463.6
	O	1,317.1	1,352.7	1,381.6	1,416.6	1,434.7	1,467.4	8,370.1
Off-budget	BA	318.5	335.3	347.6	358.2	376.5	388.7	2,124.8
	O	311.1	324.5	334.2	348.7	365.0	378.9	2,062.4
Total	BA	1,640.1	1,696.2	1,739.2	1,792.9	1,832.2	1,887.8	10,588.4
	O	1,628.2	1,677.2	1,715.8	1,765.3	1,799.7	1,846.3	10,432.5
Revenues:								
On-budget		1,086.2	1,129.9	1,176.1	1,229.9	1,289.6	1,359.1	7,270.8
Off-budget		385.0	402.3	423.4	445.1	465.2	487.3	2,608.3
Total		1,471.2	1,532.2	1,599.5	1,675.0	1,754.8	1,846.4	9,879.1
Deficit/Surplus:								
On-budget		230.9	222.8	205.5	186.7	145.1	108.3	1,099.3
Off-budget		−73.9	−77.8	−89.2	−96.4	−100.2	−108.4	−545.9
Total		157.0	145.0	116.3	90.3	44.9	−0.1	553.4
050: National Defense								
	BA	265.6	267.1	269.5	271.8	274.2	276.9	1,625.1
	O	263.7	262.1	265.1	268.6	267.5	267.2	1,594.2
150: International Affairs								
	BA	14.2	12.7	11.6	12.0	12.4	12.7	75.6
	O	14.9	13.6	12.6	11.4	11.5	11.5	75.5
250: General Science, Space, and Technology								
	BA	16.7	16.1	15.7	15.4	15.5	15.5	94.9
	O	16.8	16.3	15.9	15.5	15.5	15.5	95.5
270: Energy								
	BA	3.7	2.9	2.6	2.5	2.7	2.4	16.8
	O	3.1	2.2	1.8	1.6	1.6	1.2	11.5
300: Natural Resources and Environment								
	BA	20.3	20.0	19.9	19.5	19.4	19.3	118.4
	O	21.5	20.9	20.6	20.1	19.6	19.4	122.1
350: Agriculture								
	BA	12.8	12.5	12.2	11.5	10.5	10.3	69.8
	O	11.0	10.6	10.3	9.7	8.7	8.4	58.7
370: Commerce and Housing Credit								
On-budget	BA	8.1	9.6	10.6	12.6	11.4	11.7	64.0

SENATE AMENDMENT—Continued

[In billions of dollars]

		Fiscal year— 1997	1998	1999	2000	2001	2002	1997–2002
	O	−2.4	5.7	6.1	7.5	7.4	7.4	31.7
Off-budget	BA	1.1	4.7	3.6	0.4	3.4	0	13.2
	O	0.7	1.5	−1.7	−0.5	1.1	0	1.1
Total	BA	9.2	14.3	14.2	13.0	14.8	11.7	77.2
	O	−1.7	7.2	4.4	7.0	8.5	7.4	32.8
400: Transportation								
	BA	42.6	43.3	43.8	43.5	43.7	44.0	260.9
	O	39.3	37.0	35.6	34.1	33.7	33.2	212.9
450: Community and Regional Development								
	BA	9.9	6.7	6.7	6.7	6.7	6.6	43.3
	O	10.8	9.5	8.6	7.7	7.2	6.7	50.5
500: Education, Training, Employment, and Social Services								
	BA	51.4	49.0	50.2	51.0	51.8	52.6	306.0
	O	51.5	48.9	49.4	50.2	50.9	51.7	302.6
550: Health								
	BA	132.4	137.4	144.0	152.8	160.3	167.2	894.1
	O	132.4	137.8	144.1	152.7	159.9	166.7	893.6
570: Medicare								
	BA	191.8	205.3	216.0	228.5	241.1	253.5	1,336.2
	O	190.1	203.5	213.7	226.7	239.3	251.1	1,324.4
600: Income Security								
	BA	232.4	241.9	246.5	264.6	264.1	282.8	1,532.3
	O	240.3	245.2	253.0	264.5	268.5	281.1	1,552.6
650: Social Security								
On-budget	BA	7.8	8.5	9.2	10.0	10.8	11.6	57.9
	O	10.5	11.2	11.9	12.7	13.5	14.3	74.1
Off-budget	BA	364.6	382.5	401.2	421.0	442.5	465.0	2,476.8
	O	357.6	374.9	393.1	412.4	433.3	455.2	2,426.5
Total	BA	372.4	391.0	410.4	431.0	453.3	476.6	2,534.7
	O	368.1	386.1	405.0	425.1	446.8	469.5	2,500.6
700: Veterans Benefits and Services								
	BA	39.0	38.6	38.7	38.7	38.8	39.0	232.8
	O	39.5	39.3	39.3	40.4	37.7	39.3	235.5
750: Administration of Justice								
	BA	21.7	22.3	23.3	23.3	19.9	19.9	130.4
	O	20.6	21.6	22.4	23.0	19.8	19.8	127.2
800: General Government								
	BA	13.8	13.6	13.3	13.2	13.3	13.5	80.7
	O	13.7	13.6	13.3	13.1	13.2	13.3	80.2
900: Net Interest								
On-budget	BA	282.7	289.3	293.1	294.6	298.8	303.4	1,761.9
	O	282.7	289.3	293.1	294.6	298.8	303.4	1,761.9
Off-budget	BA	−40.6	−44.9	−49.7	−55.0	−60.7	−66.9	−317.8
	O	−40.6	−44.9	−49.7	−55.0	−60.7	−66.9	−317.8
Total	BA	242.1	244.4	243.4	239.6	238.1	236.5	1,444.1
	O	242.1	244.4	243.4	239.6	238.1	236.5	1,444.1
920: Allowances								
	BA	−1.6	−0.2	−0.4	−0.8	−1.2	−3.7	−7.9
	O	0.8	0.1	−0.3	−0.8	−1.1	−3.7	−5.0
950: Offsetting Receipts								
On-budget	BA	−43.7	−35.7	−34.9	−36.7	−38.5	−40.1	−229.6
	O	−43.7	−35.7	−34.9	−36.7	−38.5	−40.1	−229.6
Off-budget	BA	−6.6	−7.0	−7.5	−8.2	−8.7	−9.4	−47.4
	O	−6.6	−7.0	−7.5	−8.2	−8.7	−9.4	−47.4
Total	BA	−50.3	−42.7	−42.4	−44.9	−47.2	−49.5	−277.0
	O	−50.3	−42.7	−42.4	−44.9	−47.2	−49.5	−277.0

CONFERENCE AGREEMENT—TOTALS

[In millions of dollars]

		Fiscal year— 1997	1998	1999	2000	2001	2002	6-year total
Total Spending:								
On-budget	BA	1,314,760	1,362,075	1,392,403	1,433,371	1,453,873	1,496,063	8,452,545
	O	1,311,011	1,354,668	1,383,872	1,416,493	1,432,423	1,462,900	8,361,367
Off-budget	BA	318,579	335,264	347,616	358,261	376,514	388,716	2,124,950
	O	311,138	324,587	334,239	348,791	365,011	378,874	2,062,640
Total	BA	1,633,339	1,697,339	1,740,019	1,791,632	1,830,387	1,884,779	10,577,495
	O	1,622,149	1,679,255	1,718,111	1,765,284	1,797,434	1,841,774	10,424,007
Reveues:								
On-budget	....	1,083,728	1,130,269	1,177,467	1,231,178	1,290,661	1,359,046	7,272,349
Off-budget	....	385,010	402,282	423,420	445,102	465,155	487,344	2,608,313
Total	....	1,468,738	1,532,551	1,600,887	1,676,280	1,755,816	1,846,390	9,880,662
Deficit/Surplus:								
On-budget	....	227,283	224,399	206,405	185,315	141,762	103,854	....
Off-budget	....	−73,872	−77,695	−89,181	−96,311	−100,144	−108,470	....
Total	....	153,411	146,704	117,224	89,004	41,618	−4,616	....
050: National Defense								
	BA	265,583	268,198	270,797	273,337	275,961	278,821	1,632,697
	O	264,146	263,018	266,289	269,961	269,025	268,962	1,601,401
150: International Affairs								
	BA	14,308	12,120	11,095	11,556	11,664	11,864	72,607
	O	15,201	13,519	12,520	11,235	11,022	10,896	74,393
250: Science, Space, and Technology								
	BA	16,788	16,249	16,012	15,775	15,700	15,573	96,097
	O	16,865	16,421	16,053	15,805	15,717	15,611	96,472
270: Energy								
	BA	3,728	2,830	2,512	2,272	2,385	2,069	15,796
	O	3,080	2,328	1,758	1,351	1,329	874	10,720

CONFERENCE AGREEMENT—TOTALS—Continued

[In millions of dollars]

		Fiscal year—						6-year total
		1997	1998	1999	2000	2001	2002	
300: Natural Resources and Environment	BA	20,879	18,862	19,787	18,604	19,170	19,098	116,400
	O	21,707	19,698	20,515	19,125	19,418	19,169	119,632
350: Agriculture	BA	12,811	12,122	11,799	11,146	10,015	9,627	67,520
	O	10,985	10,220	9,898	9,268	8,229	7,822	56,422
370: Commerce and Housing Credit								
On-budget	BA	8,186	9,561	10,575	12,543	11,363	11,695	63,923
	O	−2,307	5,746	6,109	7,414	7,377	7,312	31,651
Off-budget	BA	1,119	4,724	3,627	402	3,394	0	13,266
	O	720	1,581	−1,666	−479	1,112	0	1,268
Total	BA	9,305	14,285	14,202	12,945	14,757	11,695	77,189
	O	−1,587	7,327	4,443	6,935	8,489	7,312	32,919
400: Transportation	BA	42,635	43,427	43,904	43,798	44,104	44,518	262,386
	O	39,311	37,306	35,886	34,678	34,121	33,624	214,926
450: Community and Regional Development	BA	8,218	6,651	6,611	6,656	6,466	6,367	40,969
	O	10,321	8,982	8,111	7,267	6,819	6,334	47,834
500: Education, Training, Employment, and Social Services	BA	48,983	47,428	48,197	48,931	49,686	50,409	293,634
	O	49,964	47,758	47,761	48,319	48,953	49,629	292,384
550: Health	BA	133,228	140,343	146,103	152,405	158,848	164,380	895,307
	O	133,172	140,728	146,246	152,317	158,509	163,912	894,884
570: Medicare	BA	192,835	207,412	218,091	230,596	243,192	253,649	1,345,775
	O	191,151	205,687	215,819	228,847	241,458	251,248	1,334,210
600: Income Security	BA	230,233	241,766	246,842	265,119	264,868	283,450	1,532,278
	O	239,737	244,694	253,422	265,209	268,404	280,388	1,551,854
650: Social Security								
On-budget	BA	7,813	8,476	9,219	9,979	10,775	11,607	57,869
	O	11,001	11,213	11,922	12,662	13,458	14,290	74,546
Off-budget	BA	364,638	382,465	401,221	421,027	442,532	465,007	2,476,890
	O	357,596	374,931	393,137	412,438	433,311	455,165	2,426,578
Total	BA	372,451	390,941	410,440	431,006	453,307	476,614	2,534,759
	O	368,597	386,144	405,059	425,100	446,769	469,455	2,501,124
700: Veterans	BA	38,463	38,552	38,179	38,186	38,382	39,318	231,080
	O	39,561	39,313	38,644	39,886	37,265	39,602	234,271
750: Administration of Justice	BA	20,924	22,320	23,264	23,278	20,330	20,315	130,431
	O	19,540	21,397	22,331	22,966	20,281	20,267	126,782
800: General Government	BA	12,353	14,097	13,288	13,609	13,262	13,209	79,818
	O	12,186	14,275	13,461	13,675	13,185	12,831	79,613
900: Net Interest								
On-budget	BA	282,591	289,121	292,939	294,426	298,531	302,932	1,760,540
	O	282,591	289,121	292,939	294,426	298,531	302,932	1,760,540
Off-budget	BA	−40,555	−44,900	−49,690	−54,979	−60,722	−66,864	−317,710
	O	−40,555	−44,900	−49,690	−54,979	−60,722	−66,864	−317,710
Total	BA	242,036	244,221	243,249	239,447	237,809	236,068	1,442,830
	O	242,036	244,221	243,249	239,447	237,809	236,068	1,442,830
920: Allowances	BA	−465	−1,921	−2,084	−2,340	−2,552	−2,898	−12,260
	O	−1,867	−1,217	−1,085	−1,413	−2,401	−2,863	−10,846
950: Undistributed Offsetting Receipts								
On-budget	BA	−45,334	−35,539	−34,727	−36,505	−38,277	−39,940	−230,322
	O	−45,334	−35,539	−34,727	−36,505	−38,277	−39,940	−230,322
Off-budget	BA	−6,623	−7,025	−7,542	−8,189	−8,690	−9,427	−47,496
	O	−6,623	−7,025	−7,542	−8,189	−8,690	−9,427	−47,496
Total	BA	−51,957	−42,564	−42,269	−44,694	−46,967	−49,367	−277,818
	O	−51,957	−42,564	−42,269	−44,694	−46,967	−49,367	−277,818

CONFERENCE AGREEMENT COMPARED TO CURRENT LAW LEVELS

[In millions of dollars]

		Fiscal year—						6-year total
		1997	1998	1999	2000	2001	2002	
Total Spending:								
On-budget	BA	−11,974	−25,016	−47,877	−59,217	−88,134	−109,775	−341,993
	O	−19,111	−31,617	−50,479	−67,283	−89,839	−124,249	−382,578
Off-budget	BA	32	31	7	0	0	0	70
	O	32	31	7	0	0	0	70
Total	BA	−11,942	−24,985	−47,870	−59,217	−88,134	−109,775	−341,923
	O	−19,079	−31,586	−50,472	−67,283	−89,839	−124,249	−382,508
Revenues:								
On-budget		−16,627	−18,280	−20,890	−20,620	−20,436	−14,849	−111,702
Off-budget		0	0	0	0	0	0	0
Total		−16,627	−18,280	−20,890	−20,620	−20,436	−14,849	−111,702
Deficit/Surplus:								
On-budget		−2,484	−13,337	−29,589	−46,663	−69,403	−109,400	−270,876
Off-budget		32	31	7	0	0	0	70
Total		−2,452	−13,306	−29,582	−46,663	−69,403	−109,400	−270,806
050: National Defense	BA	1,044	3,653	6,182	8,705	11,267	14,042	44,893
	O	−967	−530	2,222	4,128	8,490	6,446	19,789
150: International Affairs	BA	−131	−2,091	−3,241	−3,959	−3,966	−4,046	−17,172

CONFERENCE AGREEMENT COMPARED TO CURRENT LAW LEVELS—Continued

[In millions of dollars]

		Fiscal year— 1997	1998	1999	2000	2001	2002	6-year total
	O	293	−921	−2,050	−2,933	−3,334	−3,642	−12,587
250: Science, Space, and Technology	BA	111	−429	−668	−906	−982	−1,110	−3,984
	O	44	−290	−564	−855	−965	−1,072	−3,702
270: Energy	BA	17	−807	−1,307	−1,494	−1,551	−1,595	−6,737
	O	8	−352	−1,021	−1,284	−1,450	−1,542	−5,641
300: Natural Resources and Environment	BA	827	−1,036	−110	−1,168	−524	−545	−2,556
	O	114	−1,449	−270	−1,208	−517	−549	−3,879
350: Agriculture	BA	0	−696	−831	−936	−1,023	−1,168	−4,654
	O	0	−612	−771	−899	−993	−1,135	−4,410
370: Commerce and Housing Credit								
On-budget	BA	−164	−661	−376	883	−1,000	−1,000	−2,318
	O	−3,533	46	76	1,211	100	−893	−2,993
Off-budget	BA	32	31	7	0	0	0	70
	O	32	31	7	0	0	0	70
Total	BA	−132	−630	−369	883	−1,000	−1,000	−2,248
	O	−3,501	77	83	1,211	100	−893	−2,923
400: Transportation	BA	−1,097	−1,292	−1,417	−2,219	−2,627	−2,941	−11,593
	O	−70	−1,613	−2,620	−3,305	−3,700	−4,154	−15,462
450: Community and Regional Development	BA	−39	−1,601	−1,629	−1,649	−1,828	−1,815	−8,561
	O	−83	−638	−1,167	−1,595	−1,740	−1,800	−7,023
500: Education, Training, Employment, and Social Services	BA	−1,084	−1,559	−1,915	−1,956	−2,063	−2,098	−10,675
	O	−1,066	−1,591	−1,867	−2,012	−2,163	−2,230	−10,929
550: Health	BA	653	−2,751	−8,202	−14,178	−21,467	−31,267	−77,212
	O	553	−2,497	−8,125	−14,117	−21,411	−31,207	−76,804
570: Medicare	BA	−6,749	−11,108	−20,597	−28,536	−38,508	−52,891	−158,389
	O	−6,756	−11,108	−20,597	−28,536	−38,508	−52,891	−158,396
600: Income Security:	BA	−3,911	−1,948	−6,880	−1,686	−6,687	−2,115	−23,227
	O	−4,445	−8,362	−6,850	−6,337	−6,746	−8,142	−40,882
650: Social Security								
On-budget	BA	1	0	0	0	0	0	1
	O	458	0	0	0	0	0	458
Off-budget	BA	0	0	0	0	0	0	0
	O	0	0	0	0	0	0	0
Total	BA	1	0	0	0	0	0	1
	O	458	0	0	0	0	0	458
700: Veterans	BA	−132	−327	−1,914	−2,145	−2,173	−1,545	−8,236
	O	−130	108	−1,631	−2,132	−2,142	−1,623	−7,550
750: Administration of Justice	BA	1,076	2,290	3,231	3,265	341	350	10,553
	O	297	1,784	1,737	3,008	348	358	7,532
800: General Government	BA	−49	−193	−959	−682	−1,072	−811	−3,766
	O	14	164	−736	−788	−988	−988	−3,322
900: Net Interest								
On-budget	BA	−68	−478	−1,518	−3,285	−6,001	−10,217	−21,567
	O	−68	−478	−1,518	−3,285	−6,001	−10,217	−21,567
Off-budget	BA	0	0	0	0	0	0	0
	O	0	0	0	0	0	0	0
Total	BA	−68	−478	−1,518	−3,285	−6,001	−10,217	−21,567
	O	−68	−478	−1,518	−3,285	−6,001	−10,217	−21,567
920: Allowances	BA	−465	−1,921	−2,084	−2,340	−2,552	−2,898	−12,260
	O	−1,698	−1,217	−1,085	−1,413	−2,401	−2,863	−10,677
950: Undistributed Offsetting Receipts								
On-budget	BA	−2,076	−2,061	−3,642	−4,931	−5,718	−6,105	−24,533
	O	−2,076	−2,061	−3,642	−4,931	−5,718	−6,105	−24,533
Off-budget	BA	0	0	0	0	0	0	0
	O	0	0	0	0	0	0	0
Total	BA	−2,076	−2,061	−3,642	−4,931	−5,718	−6,105	−24,533
	O	−2,076	−2,061	−3,642	−4,931	−5,718	−6,105	−24,533

Discretionary and Mandatory Spending Levels

CONFERENCE AGREEMENT—DISCRETIONARY SPENDING

[In millions of dollars]

		Fiscal year— 1997	1998	1999	2000	2001	2002	6-year total
Total Spending:	BA	497,350	493,717	491,268	498,589	491,117	500,592	2,972,633
	O	538,612	526,955	525,485	525,251	516,223	514,219	3,146,745
050: National Defense	BA	266,362	268,971	271,500	274,024	276,672	279,459	1,636,988
	O	264,968	263,862	267,048	270,657	269,744	269,608	1,605,887
150: International Affairs	BA	18,236	16,060	14,977	14,281	14,264	14,175	91,993
	O	19,549	17,878	16,593	15,474	14,853	14,469	98,816
250: Science, Space, and Technology	BA	16,748	16,208	15,969	15,731	15,655	15,527	95,838
	O	16,826	16,382	16,013	15,763	15,673	15,566	96,223
270: Energy	BA	5,126	3,946	4,074	3,904	3,864	3,838	24,752
	O	5,402	4,505	4,440	4,136	4,000	3,897	26,380
300: Natural Resources and Environment	BA	20,139	19,477	19,150	18,849	18,791	18,725	115,131

CONFERENCE AGREEMENT—DISCRETIONARY SPENDING—Continued

[In millions of dollars]

		Fiscal year— 1997	1998	1999	2000	2001	2002	6-year total
	O	21,088	20,337	19,940	19,508	19,131	18,916	118,920
350: Agriculture	BA	3,949	3,253	3,118	3,013	2,926	2,781	19,040
	O	3,958	3,329	3,169	3,042	2,948	2,806	19,252
370: Commerce and Housing Credit	BA	3,099	2,606	3,006	4,283	2,402	2,400	17,796
	O	2,996	2,577	2,756	3,791	2,579	2,186	16,885
400: Transportation	BA	13,840	12,536	12,460	11,658	11,250	10,936	72,680
	O	36,744	35,161	34,047	33,017	32,532	32,058	203,559
450: Community and Regional Development	BA	7,926	6,364	6,336	6,316	6,137	6,150	39,229
	O	10,345	9,158	8,299	7,316	6,865	6,479	48,462
500: Education, Training, Employment, and Social Services	BA	37,477	35,351	35,279	35,211	35,176	35,145	213,639
	O	38,506	35,664	35,217	35,094	35,011	34,969	214,461
550: Health	BA	23,169	21,875	21,774	21,718	21,659	21,559	131,754
	O	23,236	22,144	21,875	21,800	21,737	21,641	132,433
570: Medicare	BA	3,031	2,892	2,892	2,892	2,892	2,892	17,491
	O	3,031	2,892	2,892	2,892	2,892	2,892	17,491
600: Income Security	BA	27,816	35,119	31,690	38,104	33,946	40,824	207,499
	O	40,398	40,667	40,830	40,714	40,011	40,299	242,919
650: Social Security	BA	6	5	5	5	5	5	31
	O	3,194	2,742	2,708	2,688	2,688	2,688	16,708
700: Veterans	BA	18,425	18,223	17,621	17,527	17,534	18,309	107,639
	O	19,311	18,829	17,958	17,567	17,544	18,223	109,432
750: Administration of Justice	BA	20,661	21,875	22,816	22,850	19,926	19,935	128,063
	O	19,338	21,015	21,948	22,600	19,940	19,950	124,791
800: General Government	BA	11,561	10,841	10,652	10,530	10,537	10,798	64,919
	O	11,372	10,993	10,798	10,569	10,442	10,402	64,576
900: Net Interest	BA	0	0	0	0	0	0	0
	O	0	0	0	0	0	0	0
920: Allowances	BA	−214	−1,885	−2,051	−2,307	−2,519	−2,866	−11,842
	O	−1,644	−1,180	−1,046	−1,377	−2,367	−2,830	−10,444
950: Undistributed Offsetting Receipts	BA	0	0	0	0	0	0	0
	O	0	0	0	0	0	0	0

CONFERENCE AGREEMENT—MANDATORY SPENDING

[In millions of dollars]

		Fiscal year— 1997	1998	1999	2000	2001	2002	6-year total
Total Spending:								
On-budget	BA	817,410	868,358	901,135	934,782	962,756	995,471	5,479,912
	O	772,399	827,713	858,387	891,242	916,200	948,681	5,214,622
Off-budget	BA	318,579	335,264	347,616	358,261	376,514	388,716	2,124,950
	O	311,138	324,587	334,239	348,791	365,011	378,874	2,062,640
Total	BA	1,135,989	1,203,622	1,248,751	1,293,043	1,339,270	1,384,187	7,604,862
	O	1,083,537	1,152,300	1,192,626	1,240,033	1,281,211	1,327,555	7,277,262
050: National Defense	BA	−779	−773	−703	−687	−711	−638	−4,291
	O	−822	−844	−759	−696	−719	−646	−4,486
150: International Affairs	BA	−3,928	−3,940	−3,882	−2,725	−2,600	−2,311	−19,386
	O	−4,348	−4,359	−4,073	−4,239	−3,831	−3,573	−24,423
250: Science, Space, and Technology	BA	40	41	43	44	45	46	259
	O	39	39	40	42	44	45	249
270: Energy	BA	−1,398	−1,116	−1,562	−1,632	−1,479	−1,769	−8,956
	O	−2,322	−2,177	−2,682	−2,785	−2,671	−3,023	−15,660
300: Natural Resources and Environment	BA	740	−615	637	−245	379	373	1,269
	O	619	−639	575	−383	287	253	712
350: Agriculture	BA	8,862	8,869	8,681	8,133	7,089	6,846	48,480
	O	7,027	6,891	6,729	6,226	5,281	5,016	37,170
370: Commerce and Housing Credit								
On-budget	BA	5,094	6,955	7,569	8,260	8,961	9,295	46,134
	O	−5,297	3,169	3,353	3,623	4,798	5,126	14,772
Off-budget	BA	1,119	4,724	3,627	402	3,394	0	13,266
	O	720	1,581	−1,666	−479	1,112	0	1,268
Total	BA	6,213	11,679	11,196	8,662	12,355	9,295	59,400
	O	−4,577	4,750	1,687	3,144	5,910	5,126	16,040
400: Transportation	BA	28,795	30,891	31,444	32,140	32,854	33,582	189,706
	O	2,567	2,145	1,839	1,661	1,589	1,566	11,367
450: Community and Regional Development	BA	292	287	275	340	329	217	1,740
	O	−24	−176	−188	−49	−46	−145	−628
500: Education, Training, Employment, and Social Services	BA	11,506	12,077	12,918	13,720	14,510	15,264	79,995
	O	11,458	12,094	12,544	13,225	13,942	14,660	77,923
550: Health	BA	110,059	118,468	124,329	130,687	137,189	142,821	763,553
	O	109,936	118,584	124,371	130,517	136,772	142,271	762,451
570: Medicare	BA	189,804	204,520	215,199	227,704	240,300	250,757	1,328,284

CONFERENCE AGREEMENT—MANDATORY SPENDING—Continued

[In millions of dollars]

		Fiscal year—						6-year total
		1997	1998	1999	2000	2001	2002	
	O	188,120	202,795	212,927	225,955	238,566	248,356	1,316,719
600: Income Security	BA	202,417	206,647	215,152	227,015	230,922	242,626	1,324,779
	O	199,339	204,027	212,592	224,495	228,393	240,089	1,308,935
650: Social Security								
On-budget	BA	7,807	8,471	9,214	9,974	10,770	11,602	57,838
	O	7,807	8,471	9,214	9,974	10,770	11,602	57,838
Off-budget	BA	364,638	382,465	401,221	421,027	442,532	465,007	2,476,890
	O	357,596	374,931	393,137	412,438	433,311	455,165	2,426,578
Total	BA	372,445	390,936	410,435	431,001	453,302	476,609	2,534,728
	O	365,403	383,402	402,351	422,412	444,081	466,767	2,484,416
700: Veterans	BA	20,038	20,329	20,558	20,659	20,848	21,009	123,441
	O	20,250	20,484	20,686	22,319	19,721	21,379	124,839
750: Administration of Justice	BA	263	445	448	428	404	380	2,368
	O	202	382	383	366	341	317	1,991
800: General Government	BA	792	3,256	2,636	3,079	2,725	2,411	14,899
	O	814	3,282	2,663	3,106	2,743	2,429	15,037
900: Net Interest								
On-budget	BA	282,591	289,121	292,939	294,426	298,531	302,932	1,760,540
	O	282,591	289,121	292,939	294,426	298,531	302,932	1,760,540
Off-budget	BA	−40,555	−44,900	−49,690	−54,979	−60,722	−66,864	−317,710
	O	−40,555	−44,900	−49,690	−54,979	−60,722	−66,864	−317,710
Total	BA	242,036	244,221	243,249	239,447	237,809	236,068	1,442,830
	O	242,036	244,221	243,249	239,447	237,809	236,068	1,442,830
920: Allowances	BA	−251	−36	−33	−33	−33	−32	−418
	O	−223	−37	−39	−36	−34	−33	−402
950: Undistributed Offsetting Receipts								
On-budget	BA	−45,334	−35,539	−34,727	−36,505	−38,277	−39,940	−230,322
	O	−45,334	−35,539	−34,727	−36,505	−38,277	−39,940	−230,322
Off-budget	BA	−6,623	−7,025	−7,542	−8,189	−8,690	−9,427	−47,496
	O	−6,623	−7,025	−7,542	−8,189	−8,690	−9,427	−47,496
Total	BA	−51,947	−42,564	−42,269	−44,694	−46,967	−49,367	−277,818
	O	−51,947	−42,564	−42,269	−44,694	−46,967	−49,367	−277,818

CREDIT LEVELS

CREDIT LEVELS IN CONFERENCE AGREEMENT BY FUNCTION

[In billions of dollars]

	Fiscal year—						6-year total
	1997	1998	1999	2000	2001	2002	
Direct Loans	41.353	36.358	36.455	36.535	36.600	36.624	223.925
Loan Guarantees	267.284	269.467	268.601	268.489	270.244	270.948	1,615.033
050: National Defense							
Loan Guarantees	0.800	0.200	0.192	0.187	0.185	0.183	1.747
150: International Affairs							
Direct Loans	4.333	4.342	4.358	4.346	4.395	4.387	26.161
Loan Guarantees	18.110	18.262	18.311	18.311	18.409	18.409	109.812
270: Energy							
Direct Loans	1.033	1.039	1.045	1.036	1.000	1.031	6.184
300: Natural Resources and Environment							
Direct Loans	0.037	0.041	0.038	0.038	0.038	0.038	0.230
350: Agriculture							
Direct Loans	7.794	9.346	10.743	10.736	10.595	10.570	59.784
Loan Guarantees	5.870	6.637	6.586	6.652	6.641	6.709	39.905
370: Commerce and Housing Credit							
Direct Loans	1.856	1.787	1.763	1.759	1.745	1.740	10.650
Loan Guarantees	197.340	196.750	196.253	195.883	195.375	194.875	1,176.476
400: Transportation							
Direct Loans	0.015	0.015	0.015	0.015	0.015	0.015	0.090
450: Community and Regional Development							
Direct Loans	1.231	1.257	1.287	1.365	1.404	1.430	7.974
Loan Guarantees	2.133	2.133	1.171	1.171	2.202	2.202	11.012
500: Education, Training, Employment, and Social Services							
Direct Loans	16.219	16.219	16.219	16.219	16.219	16.219	97.314
Loan Guarantees	17.469	19.760	20.854	21.589	23.319	25.085	128.076
550: Health							
Loan Guarantees	0.187	0.094	0.000	0.000	0.000	0.000	0.281
700: Veterans							
Direct Loans	0.935	0.962	0.987	1.021	1.189	1.194	6.288
Loan Guarantees	26.362	25.925	25.426	24.883	24.298	23.668	150.562
950: Undistributed Offsetting Receipts							
Direct Loans	7.900	1.350	0.000	0.000	0.000	0.000	9.250

ECONOMIC ASSUMPTIONS

Section 301(g)(2) of the Congressional Budget Act requires that the joint explanatory statement accompanying a conference report on a budget resolution set forth the common economic assumptions upon which the joint statement and conference report are based. The conference agreement is based entirely on the economic forecast and projections of the Congressional Budget Office, published in CBO's report to the budget committees, "The Economic and Budget Outlook: Fiscal Years 1997–2006" (May 1996). These economic assumptions assume a balanced budget by 2002 and are adjusted for anticipated revisions to the Consumer Price Index [CPI]. The assumptions are reflected in the table below.

House Resolution. The Bureau of Labor Statistic [BLS] has announced its plans to make two technical revisions to the CPI. First, the BLS rebenchmarking of the CPI is estimated by CBO to reduce the growth in the CPI by 0.2 percentage points a year. This comprehensive revision is to be completed by 1998. Second, the BLS also will incorporate improvements in the CPI to remove the "formula bias" by June, 1996. CBO estimates that this revision will reduce the growth in the CPI by 0.16 percentage point a year. These revisions are incorporated in the economic assumptions of the House resolution.

Senate Amendment. The assumptions of the Senate amendment are identical to those of the House resolution.

Conference Agreement. The conference agreement follows the House resolution and the Senate amendment.

ECONOMIC ASSUMPTIONS

[Calendar years]

	1995 actual	Forecast		Projected				
		1996	1997	1998	1999	2000	2001	2002
Nominal GDP (billions of dollars)	7,248	7,584	7,946	8,333	8,745	9,177	9,631	10,108
Percent change, year over year:								
Nominal GDP	4.6	4.6	4.8	4.9	4.9	4.9	4.9	4.9
Real GDP	2.0	2.0	2.0	2.1	2.2	2.2	2.2	2.2
Chained GDP price index	2.5	2.6	2.8	2.7	2.7	2.7	2.7	2.7
Inflation, CPI–U	2.8	2.8	3.1	3.0	2.9	2.9	2.9	3.0
Percent, annual:								
Unemployment rate	5.6	5.8	6.0	6.0	6.0	6.0	6.0	6.0
3-month Treasury Bill rate	5.5	4.9	4.8	4.3	3.9	3.7	3.7	3.7
10-year Treasury Note rate	6.6	5.7	5.5	5.3	5.3	5.3	5.3	5.3

Source: Congressional Budget Office.

FUNCTIONS AND REVENUES

FUNCTION 050: NATIONAL DEFENSE

House Resolution. The House resolution provides $267.2 billion in budget authority and $264.8 billion in outlays in 1997 for national defense. Over 6 years, the resolution provides $1,639.4 billion in budget authority and $1,606.5 billion in outlays. The resolution assumes policies consistent with those anticipated for the National Defense Authorization Act of 1996. It also assumes sales from the National Defense Stockpile of $79 million in 1997 and total sales of $649 million over 6 years.

Senate Amendment. The Senate amendment provides 1997 budget authority of $265.6 billion and outlays of $263.7 billion. For the 6-year period, the amendment calls for $1,625.0 billion in budget authority and $1,594.4 billion in outlays. Like the House resolution, the Senate amendment assumes policies consistent with those anticipated for the National Defense Authorization Act of 1996 and sales from the National Defense Stockpile of $79 million in 1997 and total sales of $649 million over 6 years.

Conference Agreement.—The conference agreement provides $265.6 billion in budget authority and $264.1 billion in outlays in 1997. Over 6 years, the resolution provides $1,632.7 billion in budget authority and $1,601.4 billion in outlays. The resolution assumes policies consistent with those anticipated for the National Defense Authorization Act of 1996. It also assumes sales from the National Defense Stockpile of $79 million in 1997 and total sales of $649 million over 6 years.

FUNCTION 150: INTERNATIONAL AFFAIRS

House Resolution.—For international affairs, the House resolution calls for $13.7 billion in budget authority and $15.0 billion in outlays in fiscal year 1997. Over 6 years, it recommends $68.8 billion in budget authority and $72.8 billion in outlays. The resolution assumes the President's requested cuts for the Department of State, peacekeeping operations, and Foreign Military Financing [FMF] loans. It anticipates that much of the United States Information Agency will be gradually privatized or eliminated. It also assumes that funding in the Agency for International Development will continue to be reduced, and that the replenishments for several multilateral development banks will soon be completed. The resolution calls for maintaining funding in 1997 for export finance and trade promotion programs. It recommends maintaining funding for Bosnia's reconstruction through 1998, but assumes that other Eastern European countries and the former Soviet Union will graduate from United States aid programs.

Senate Amendment.—The Senate amendment calls for 1997 budget authority of $14.2 billion and outlays of $14.9 billion. It recommends $75.7 billion in budget authority and $75.4 billion in outlays over 6 years. The amendment assumes the President's requested cuts for the Department of State, the United States Information Agency, the Agency for International Development, and various multilateral development banks. The Senate amendment, like the House resolution, recommends maintaining funding in 1997 for export finance and trade promotion programs. It also shares the House resolution's call for maintaining funding for Bosnia's reconstruction through 1998 while assuming that other Eastern European countries will graduate from United States aid programs.

Conference Agreement.—The conference agreement calls for $14.3 billion in budget authority and $15.2 billion in outlays in 1997. Over 6 years, it recommends $72.6 billion in budget authority and $74.4 billion in outlays. The agreement endorses the notion that the entire foreign affairs apparatus of the United States needs to be completely reassessed. The conference agreement assumes the President's reductions for the Department of State. It also recognizes that changes are required at the United States Information Agency, the Agency for International Development, and various multilateral development banks. It maintains funding in 1997 for export finance and trade promotion programs. It maintains funding for Bosnia's reconstruction through 1998, but assumes that other countries will graduate from United States aid programs.

FUNCTION 250: GENERAL SCIENCE, SPACE, AND TECHNOLOGY

House Resolution. The House resolution proposes 1997 budget authority of $16.5 billion and outlays of $16.7 billion. It calls for $97.0 billion in budget authority and $97.1 billion in outlays over 6 years. The resolution assumes a 3-percent annual increase for research and related activities in the National Science Foundation. It emphasizes NASA's core missions, but assumes savings from private operation of the space shuttle. It provides resources to complete the international space station. It also calls for a $6 billion Mission to Planet Earth [MTPE] program, and for prioritizing the Department of Energy's general science program.

Senate Amendment. The Senate amendment calls for $16.7 billion in budget authority and $16.8 billion in outlays for fiscal year 1997. Over 6 years, it recommends $94.9 billion in budget authority and $95.6 billion in outlays. The amendment assumes the same 3-percent annual increase as the House resolution for research and related activities in the National Science Foundation. It also assumes the President's reductions to other NSF accounts. It recommends maintaining the 1996 budget resolution's assumptions for NASA.

Conference Agreement. The conference agreement calls for $16.8 billion in budget authority and $16.9 billion in outlays in 1997. Over 6 years, it recommends $96.1 billion in budget authority and $96.5 billion in outlays. The agreement retains the priority status of basic research, assuming a 3-percent increase for research and related activities within the National Science Foundation. Relative to the Senate amendment, the conference agreement provides $0.9 billion in additional funds over 6 years.

FUNCTION 270: ENERGY

House Resolution. For Function 270, the House resolution recommends 1997 budget authority of $2.4 billion and outlays of $2.7 billion. Budget authority over 6 years would be $11.8 billion, with outlays of $7.9 billion. The resolution calls for terminating the Department of Energy [DOE]. It supports basic research, such as DOE's efforts to map the human genome and an expanded hydrogen energy research program. It calls for eliminating further funding for various DOE-subsidized energy research programs. It recommends eliminating unnecessary bureaucracy in the Department of Energy, and assumes the President's proposal to reduce strategic petroleum reserve [SPRO] operations and maintenance funding. It also assumes the President's recommendation for the Rural Electrification Administration [REA]. The resolution calls for authorizing DOE to lease excess SPRO storage capacity and extending through 2002 the requirement that the Nuclear Regulatory Commission [NRC] collect 100 percent of its budget from fees assessed on the nuclear powerplants that it regulates.

Senate Amendment. The Senate amendment calls for $3.7 billion in fiscal year 1997 budget authority, and $3.1 billion in outlays. For the 6-year period, it recommends $16.8 billion in budget authority and $11.5 billion in outlays.

The amendment does not assume termination of the Department of Energy. But it joins in the House resolution's support for science and basic research, such as DOE's efforts to map the human genome. The amendment builds on the President's proposals to reduce funding for the development of energy technologies. It rejects the President's $33 million increase for the DOE headquarters budget, and assumes reductions in other DOE headquarters functions. The amendment also assumes the President's proposal to reduce strategic petroleum reserve [SPRO] operations and maintenance funding, and the President's recommendation for the REA. It calls for authorizing DOE to lease excess SPRO storage capacity and, as with the House resolution, extending through 2002 the requirement that the NRC collect 100 percent of its budget from fees assessed on the nuclear powerplants that it regulates.

Conference Agreement. The conference committee agrees to $3.7 billion in budget authority and $3.1 billion in outlays in 1997. Over 6 years, it recommends $15.8 billion in budget authority and $10.7 billion in outlays. The conferees agree to disagree on the future status of the Department of Energy; they recognize that ultimately the committees of jurisdiction will determine whether the Department is or is not terminated. The conference agreement supports basic science and research. It calls for reducing the Department of Energy's [DOE] efforts to commercialize energy technologies. It rejects the President's $33 million increase for the DOE headquarters' functions, and recommends reductions in DOE overhead. It adopts the President's proposal to reduce the strategic petroleum reserve [SPRO] operations and maintenance funding. It assumes the President's recommendation for the REA. The agreement resolves the differences for DOE's appropriated programs by providing $24.8 billion in budget authority and $26.4 billion in outlays over 6 years. Finally, the resolution recommends that DOE be allowed to lease excess SPRO storage capacity, and extends the requirement through 2002 for the NRC to collect 100 percent of its budget from fees assessed on the nuclear powerplants that it regulates.

FUNCTION 300: NATURAL RESOURCES AND ENVIRONMENT

House Resolution. For fiscal year 1997, the House resolution provides $20.5 billion in budget authority and $21.3 billion in outlays. Over 6 years, the resolution recommends $115.4 billion in budget authority and $118.5 billion in outlays. The resolution calls for priority funding to address environmental concerns and to improve the quality of the Nation's parks. It recommends an increase for the Superfund and safe drinking water and wastewater programs of the Environmental Protection Agency, as well as increases each year to operate the National Park Service [NPS]. In addition, the resolution would permit resource managers to increase fees and retain a large portion of those fees for improvements in the parks. The resolution assumes the elimination of the Agricultural Conservation Program and the Colorado River Basin Salinity Control Program, which were subsumed in the new Environmental Quality Incentives Program of the Federal Agriculture Improvement and Reform [FAIR] Act of 1996. It assumes the President's recommendation to terminate the international forestry program. It refocuses the National Oceanic and Atmospheric Administration [NOAA] on its core missions. It recommends reforms at the Bureau of Reclamation and the Corps of Engineers, and reductions in overhead in the Department of the Interior. It calls for ending the government's involvement in the helium program and reforming other minerals-related activities, and it recommends refinancing of the debt of the Central Utah Water Conservancy District.

Senate Amendment. The Senate amendment assumes 1997 budget authority of $20.3 billion, and outlays of $21.5 billion. It calls for $118.3 billion in budget authority over 6 years and $122.2 billion in outlays. The amendment shares the House resolution's emphasis on the environment and the national parks, calling for an increase for the Superfund and safe drinking water programs of the Environmental Protection Agency, and assuming full funding for the National Park Service [NPS]. It further parallels the House resolution in calling for the elimination of duplicative programs, such as the Agricultural Conservation Program and the Colorado River Basin Salinity Control Program, which were subsumed within the new Environmental Quality Incentives Program of the Federal Agriculture Improvement and Reform [FAIR] Act of 1996. It also assumes the President's recommendation to terminate the international forestry program. Also like the House resolution, the amendment calls for ending the government's involvement in the helium program and refinancing the debt of the Central Utah Water Conservancy District. Finally, the Senate amendment recommends reducing royalties in new oil and gas leases in water depths of more than 200 meters in the Gulf Coast.

Conference Agreement. The conference agreement calls for $20.9 billion in budget authority and $21.7 billion in outlays in 1997. Over 6 years, it recommends $116.4 billion in budget authority and $119.6 billion in outlays. Consistent with the thrusts of both the House resolution and the Senate amendment, the Conference agreement provides increased funding for the Superfund and safe drinking water programs of the Environmental Protection Agency, and assumes an increase in funding each year to fund the operations of the National Park Service [NPS]. It also calls for eliminating several duplicate programs that were subsumed within the new Environmental Quality Incentives Program of the FAIR Act. It assumes the President's recommendation to terminate the international forestry program, and ends the government's involvement in the helium program. Finally, it recommends refinancing of the debt of the Central Utah Water Conservancy District.

FUNCTION 350: AGRICULTURE

House Resolution. The House resolution calls for 1997 budget authority of $11.8 billion, and outlays of $10.2 billion, in Function 350. Over 6 years, the resolution recommends $64.1 billion in budget authority and $53.3 billion in outlays. The resolution incorporates the 1996 farm bill—the Federal Agriculture Improvement and Reform [FAIR] Act—which transitions agriculture to a more market-oriented system. The resolution also assumes the administrative reductions included in the President's budget for the Farm Service Agency; reforms of the Foreign Agricultural Service; reductions in unnecessary bureaucracy in the Department of Agriculture; and reforms of the Farmers Home Administration. It also calls for permitting the private sector to finance additional research, and reducing overhead in the Department of Agriculture.

Senate Amendment. For fiscal year 1997, the Senate amendment recommends $12.8 billion in budget authority and $11.0 billion in outlays. It calls for $69.7 billion in budget authority and $58.6 billion in outlays over 6 years. As reflected in the House resolution, the Senate amendment also incorporates the 1996 FAIR Act, and assumes the administrative reductions included in the President's budget for the Farm Service Agency. It also assumes the President's user fee proposals for the Animal and Plant Health Inspection Service; Grain Inspection, Packers and Stockyards Administration; and the Agricultural Marketing Service.

Conference Agreement. The conferees agree to $12.8 billion in budget authority and $11 billion in outlays in 1997 for Function 350. Over 6 years, it recommends $67.5 billion in budget authority and $56.4 billion in outlays. The conference agreement incorporates the reforms included in the Federal Agricultural Improvement and Reform [FAIR] Act, which transitions agriculture to a more market-oriented system. It also assumes the administrative reductions included in the President's budget for the Farm Service Agency.

FUNCTION 370: COMMERCE AND HOUSING CREDIT

House Resolution. The House resolution recommends 1997 budget authority of $9.0 billion and outlays of −$1.6 billion. Over the 6-year budget period through 2002, it calls for $76.4 billion in budget authority and $32.6 billion in outlays. The resolution assumes elimination of the Department of Commerce, including elimination of the Advanced Technology Program [ATP], and reforms of remaining Department of Commerce functions. It calls for the restructuring of Federal Housing Administration [FHA] insured mortgages and accommodates a cost of $383 million in 1997 associated with this policy recommendation. The resolution also assumes the reform of the FHA assignment program included in the Balanced Budget Act of 1995 (H.R. 2491) and the recapitalization of the Savings Association Insurance Fund and the extension of Financing Corporation [FICO] bond obligations to all institutions insured by the Federal Deposit Insurance Corporation. Finally, it provides for an additional $3.1 billion over the next 6 years to prepare for, conduct, and complete the decennial census scheduled to occur in 2000.

Senate Amendment. The Senate amendment provides budget authority of $9.2 billion in 1997 and outlays of −$1.7 billion. It calls for $77.3 billion in budget authority and $32.9 billion in outlays over 6 years. The amendment does not assume the elimination of the Department of Commerce. It assumes reducing funds for certain administrative accounts, and eliminating appropriations for certain expired activities. It recommends the reform of the FHA assignment program included in the Balanced Budget Act of 1995 (H.R. 2491). It also assumes the recapitalization of the Savings Association Insurance Fund and the extension of Financing Corporation [FICO] bond obligations to all institutions insured by the Federal Deposit Insurance Corporation. Finally, like the House resolution, the amendment provides for an additional $3.1 billion over the next 6 years to prepare for, conduct, and complete the decennial census scheduled to occur in 2000.

Conference Agreement. For fiscal year 1997, the conferees assume $9.3 billion in budget authority and −$1.6 billion in outlays. Over 6 years, the conference agreement assumes $77.2 billion in total budget authority and $32.9 billion in total outlays. The conferees agree to disagree on the future status of the Department of Commerce; they recognize that ultimately the committees of jurisdiction will determine whether the Department is or is not terminated. They assume $3.1 billion over the next 6 years to fund the decennial census, and the extension of patent and trademark fees. Further, the conferees call for the reform of the Federal Housing Administration's assignment program. The conference agreement further assumes the recapitalization of the Savings Association Insurance Fund and the extension of FICO bond obligations to all institutions insured by the Federal Deposit Insurance Corporation. These provisions were originally included in the Balanced Budget Act of 1995.

FUNCTION 400: TRANSPORTATION

House Resolution. For 1997, the resolution calls for $41.7 billion in budget authority and

$39.0 billion in outlays. It recommends $262.9 billion in budget authority and $216.6 billion in outlays over 6 years. The resolution assumes phasing out Amtrak and mass transit subsidies, and eliminating several outdated or unnecessary programs, including the Federal Maritime Commission, the Federal Aviation Administration's civil aeromedical and management training programs, Intelligent Transportation Systems, and the airline subsidy program. The resolution also recommends the extension of vessel tonnage fees; maintaining the current payment date for cost-of-living-adjustments [COLA's] for Coast Guard retirees; and the elimination of the fiscal year 1997 installment of Intermodal Surface Transportation Efficiency Act [ISTEA] demonstration projects.

Senate Amendment. The Senate amendment recommends 1997 budget authority of $42.6 billion and outlays of $39.3 billion. It provides $260.9 billion in budget authority over 6 years and $212.9 billion in outlays. The amendment assumes phasing out mass transit and Amtrak operating assistance and adopting other Department of Transportation streamlining initiatives. It also endorses the administration's recommendations for reducing Federal Aviation Administration facilities and equipment and Federal Transit Administration discretionary grant spending. It assumes the extension of vessel tonnage and emergency preparedness fees and the elimination of the fiscal year 1997 installment of ISTEA demonstration projects. The Senate amendment also contains report language commending the Coast Guard for its streamlining efforts.

Conference Agreement. For fiscal year 1997, the conferees assume $42.6 billion in budget authority and $39.3 billion in outlays. Over 6 years, the conferees assume $262.4 billion in total budget authority and $214.9 billion in total outlays. The conferees assume these levels will be achieved through various streamlining measures in the Department of Transportation, and the extension of vessel tonnage fees.

FUNCTION 450: COMMUNITY AND REGIONAL DEVELOPMENT

House Resolution. The House resolution recommends 1997 budget authority of $6.7 billion and outlays of $10.1 billion. Over 6 years, it assumes $38.8 billion in budget authority and $46.5 billion in outlays. The resolution calls for creating a new Native American block grant and a rural development block grant. It assumes streamlining efforts in the Appalachian Regional Commission and the Economic Development Administration. It also calls for focusing community development programs on areas with the greatest need.

Senate Amendment. For 1997, the Senate amendment recommends $9.9 billion in budget authority and $10.8 billion in outlays. It calls for $43.3 billion in budget authority over 6 years and $50.5 billion in outlays. The amendment assumes an increase in the operation of Indian programs for law enforcement, child protection, housing, and welfare assistance. It recommends reforms of community development programs, and adopts the President's proposal to reauthorize Federal Emergency Management Agency [FEMA] assessments on Nuclear Regulatory Commission licensees.

Conference Agreement. For fiscal year 1997, the conferees assume $8.2 billion in budget authority and $10.3 billion in outlays. They assume $41.0 billion in total budget authority over 6 years, and $47.8 billion in total outlays. The conferees assume extension of FEMA emergency preparedness fees.

FUNCTION 500: EDUCATION, TRAINING, EMPLOYMENT, AND SOCIAL SERVICES

House Resolution. For fiscal year 1997, the House resolution provides budget authority of $47.0 billion and outlays of $49.5 billion. Over 6 years, budget authority would total $290.6 billion and outlays $291.7 billion. The resolution recommends that Education for the Disadvantaged (Title I) be funded at $7.2 billion and the Drug Free Schools Program at $440 million—the same levels provided in the Balanced Budget Downpayment Act, II (H.R. 3019). It calls for the elimination of Goals 2000. It also assumes passage of a job training consolidation bill giving State and local authorities control of job training funding. Finally, the resolution assumes savings of $4.6 billion in budget authority from eliminating direct lending and reducing subsidies to banks and guaranty agencies.

Senate Amendment. The Senate amendment calls for 1997 budget authority of $51.4 billion and outlays of $51.5 billion. It recommends 6-year budget authority of $306.0 billion and outlays of $302.7 billion. The amendment assumes savings of $3.4 billion in budget authority from capping direct lending volume at 20 percent and reducing subsidies to banks and guaranty agencies. It also assumes $38 billion in discretionary spending for fiscal year 1997, $1.7 billion above the 1996 funding level.

Conference Agreement. The conference agreement recommends $49.0 billion for budget authority and $50.0 billion for outlays in 1997, and 6-year totals of $293.6 billion in budget authority and $292.4 billion in outlays. The agreement assumes priority funding for Title 1, Special Education, Impact Aid, and Pell Grants. The agreement also assumes the passage of a job training consolidation bill.

The conference agreement assumes student loan outlay savings of $3.670 billion over 6 years. Conferees assume these savings will be achieved without raising costs or limiting access to student loans. Conferees assume that savings in the guaranteed loan program will be achieved in conjunction with a cap on direct lending volume.

FUNCTION 550: HEALTH

House Resolution. The House resolution recommends $129.9 billion in budget authority and $130.3 billion in outlays in fiscal year 1997. Over the 6-year period through 2002, the resolution calls for $894.6 billion in budget authority and $894.7 billion in outlays. The resolution assumes comprehensive reform of Medicaid consistent with the framework of the National Governors' Association reform plan, slowing the growth of Federal Medicaid spending by $72 billion over 6 years. Total Federal Medicaid spending would grow from $96 billion in 1996 to $140 billion in 2002. The resolution also incorporates the House-passed Health Coverage Availability and Affordability Act of 1996. It recommends structural reform of the Food and Drug Administration, and maintenance of the 1996 increases in funding for the National Institutes of Health. It also accepts the administration's funding for Health Care Resources and Administration, and accommodates the health provisions of the new Native American block grant described in Function 450. The resolution rejects the administration's 25-percent cut in Centers for Disease Control and Prevention. It calls for terminating the National Institute for Occupational Safety and Health; consolidating health data collection and analysis in the Department of Health and Human Services; eliminating unnecessary funding in departmental management; consolidating bureaucracy in the Mine Safety and Occupational Safety and Health Administrations; and reducing departmental overhead.

Senate Amendment. For fiscal year 1997, the Senate amendment recommends $132.4 billion in budget authority and $132.4 billion in outlays. It calls for $894.0 billion in budget authority over 6 years, and $893.7 billion in outlays. Corresponding with the House resolution, the Senate amendment recommends comprehensive reform of Medicaid consistent with the framework of the National Governors' Association reform plan, slowing the growth of Federal Medicaid spending by $72 billion over 6 years. Total Federal Medicaid spending would grow from $96 billion in 1996 to $140 billion in 2002. The Senate amendment also assumes National Institutes of Health funding of $11.95 billion in budget authority through 2002. Finally, it recommends priority funding for Indian Health Services and local health center service sites.

Conference Agreement.—The conference agreement provides $133.2 billion in budget authority and $133.2 billion in outlays in 1997, and 6-year totals of $895.3 billion in budget authority and $894.9 billion in outlays. The conferees firmly endorse the recomendation of both the House resolution and the Senate amendment in calling for comprehensive reform of Medicaid, consistent with the framework of the National Governors' Association reform plan, slowing the growth of Federal Medicaid spending by $72 billion over 6 years. Total Federal Medicaid spending would grow from $96 billion in 1996 to $137 billion in 2002. The conference agreement also assumes priority funding for the National Institutes of Health at $11.95 billion in budget authority, and structural reform of the Food and Drug Administration.

FUNCTION 570: MEDICARE

House Resolution.—The comprehensive Medicare reform envisioned in the House resolution assumes net 1997 Medicare spending of $193.2 billion in budget authority and $191.5 billion in outlays. Net budget authority over 6 years would total $1,343.7 billion, and outlays would be $1,332.1 billion. The assumed Medicare reform would slow the growth of net Medicare spending by $158 billion over 6 years. Gross 6-year spending would be $1.479 trillion, rising from $196 billion in 1996 to $284 billion in 2002. The average growth rate in total program spending would be 6.4 percent per year, and average spending per beneficiary would rise from $5,200 in 1996 to $7,000 in 2002. The resolution calls for no increases in Medicare beneficiary copayments or deductibles, and assumes maintaining the Part B premium at 25 percent of program costs while reducing the taxpayer subsidy for high-income beneficiaries.

Senate Amendment.—The Senate amendment also calls for comprehensive Medicare reform, assuming a plan that yields net 1997 Medicare budget authority of $193.2 billion, and outlays of $191.5 billion. Over 6 years, the assumed Senate reform results in net budget authority of $1,335.9 billion, and outlays of $1,324.3 billion. The assumed Medicare savings match those of the House resolution, slowing the growth of net Medicare spending by $158 billion over 6 years. Gross 6-year spending would be $1.459 trillion, growing from $196 billion in 1996 to $279 billion in 2002. The amendment provides for an average growth rate in total program spending of 6.1 percent per year, and the same per-beneficiary spending increase as the House. The amendment makes no explicit assumption about Part B premiums, but calls for Part B savings consistent with the President's budget, which assume retaining the premium at 25 percent of program costs.

Conference Agreement.—Adopting the call for comprehensive Medicare reform from the House resolution and the Senate amendment, the conferees propose $192.8 billion in net Medicare budget authority in 1997, and $191.2 billion in net outlays. Over 6 years, the conference totals would be $1,345.8 billion in net budget authority and $1,334.2 billion in net outlays. The reform assumed in the conference agreement yields gross Medicare spending of $209.1 billion in 1997 (an increase from $196.1 billion in 1996) and $282.1 billion in 2002. It assumes an average annual spending increase of 6.2 percent, with a 6-year gross spending total of $1.479 trillion. The conference agreement also assumes that spending per beneficiary will increase from $5,200 in 1996 to $7,000 in 2002. These spending levels assume no increases in beneficiary copayments or deductibles. They also assume maintaining the Part B premium at 25 percent of program costs, but reducing the taxpayer subsidy for high-income beneficiaries. Savings from the Part A program assumed in the conference agreement will extend the solvency of the Hospital Insurance Trust Fund for 10 years; savings from the Part B program will be consistent with Part B program savings assumed in the President's budget.

FUNCTION 600: INCOME SECURITY

House Resolution.—The House resolution calls for 1997 budget authority of $232.6 billion and outlays of $240.1 billion. Over 6 years, it recommends $1,524.6 billion in budget authority and $1,541.6 billion in outlays. The principal policy recommendation is for comprehensive welfare reform, consistent with the framework of the Conference Report on the Personal Responsibility and Work Opportunity Act of 1995, slowing the growth of Federal welfare spending by $53 billion over 6 years. Total Federal welfare spending would grow from $85 billion in 1996 to $106 billion in 2002. The resolution also assumes the "Stevens" package of retirement reforms from the Balanced Budget Act of 1995 (H.R. 2491): maintaining the current cost-of-living adjustment [COLA] payment date for civilian retirees; increasing the agency contribution to retirement for Civil Service Retirement System [CSRS] employees by 1.5 percentage points; and increasing employees' contributions to retirement for the Federal Employees' Retirement System [FERS], CSRS, and Postal Service employees by 0.5 percentage points (effective October 1, 1996). Congressional pension reform also is assumed. In addition, the resolution calls for an open season for allowing CSRS employees to convert to FERS. It assumes making permanent the current ongoing roll management within the FECA Federal employees' workers compensation program and scheduling the payment of military retirees' cost-of-living adjustments [COLA's] at the same time as those of civilian Federal retirees. The resolution calls for equity in unemployment insurance for persons affected by international trade or who voluntarily leave the military. It assumes reform of the Earned Income Credit. It also assumes renewing section 8 housing contracts, but at market rents rather than current, oversubsidized rents; other reforms in assisted and public housing; and provisions limiting the increase of annual adjustment factor reimbursements to private project owners

Senate Amendment. The Senate amendment calls for 1997 budget authority of $232.4 billion and outlays of $240.3 billion. It recommends 6-year budget authority of $1,532.3 billion and outlays of $1,552.6 billion. The amendment shares in the House resolution's call for comprehensive reform of welfare, consistent with the National Governors' Association proposals, slowing the growth of Federal welfare spending by $53 billion over 6 years. As with the House resolution, total Federal welfare spending under the Senate amendment's assumptions would grow from $85 billion in 1996 to $106 billion in 2002. The amendment also assumes the "Stevens" package of retirement reforms included in the Balanced Budget Act of 1995 (H.R. 2491), with agency contributions increased by 1.51 percentage points. Agency and employee contribution rate increases are tied to January 1 effective dates. No assumptions are made regarding changes in military retirement. Like the House resolution, the amendment calls for equity in unemployment insurance for persons affected by international trade or who voluntarily leave the military. It assumes reform of the Earned Income Credit. It also assumes the renewal of section 8 housing contracts—but at market rents, rather than current, oversubsidized rents, and provisions limiting the increase of annual adjustment factor reimbursements to private project owners.

Conference Agreement. The conference agreement assumes $230.2 billion in budget authority and $239.7 billion in outlays in 1997, and $1,532.3 billion in budget authority and $1,551.9 billion in outlays over 6 years.

The conference agreement assumes comprehensive welfare reform, slowing the growth of Federal welfare spending by $53 billion over 6 years. For mandatory welfare programs within Function 600, spending levels are assumed to be $81.7 billion in fiscal year 1997, $97.5 billion in fiscal year 2002, and a total of $529.5 billion over the 6-year period. A portion of the programs affected under the welfare reform proposal assumed in the resolution appear in Function 500. When those are taken into account, total spending on all programs affected by the welfare reform proposals in Functions 500 and 600 is assumed to be $576.2 billion during the period 1997 through 2002.

The conference agreement rejects the administration's proposed outyear cuts for the Low Income Home Energy Assistance Program [LIHEAP], which reach a maximum reduction of nearly $200 million in fiscal year 2000. The resolution instead assumes LIHEAP funding will remain at the fiscal year 1996 level through 2002.

The conference agreement assumes reforms of the Earned Income Credit [EIC] to eliminate fraud and abuse within the program, to better target benefits to low-income working families with children, and to coordinate the credit with the $500 per child tax credit that also is assumed in this budget. The outlay portion of the EIC, which appears in Function 600, assumes spending of $19.2 billion in fiscal year 1997, rising to $23.6 billion in fiscal year 2002. Total spending on the EIC assumed in both Function 600 and revenues during the period 1997–2002 is assumed to be $156.3 billion.

The conferees also assume major proposals to strengthen the integrity of Federal retirement programs. These proposals include conforming pension benefits for Members of Congress and congressional staff to the pension benefits available to Federal employees within the executive branch, and maintaining the current COLA payment date for retired Federal workers as recommended by the President through 2002. Additionally, Federal agency contributions to the Civil Service Retirement and Disability Trust Fund [CSRDF] will be increased by 1.51 percentage points for CSRS covered workers beginning October 1, 1996. CSRS, FERS, and Postal Service employee contributions will be increased by 0.25 percentage points on January 1, 1997, by 0.15 percentage points on January 1, 1998, and by 0.1 percentage points on January 1, 1999. Portions of those proposals also appear in Function 950 and Revenues.

The conferees assume the renewal of section 8 housing assistance contracts, but at market rents rather than the current above-market rents. The conferees further assume provisions limiting the increase of annual adjustment factor reimbursements to private project owners.

FUNCTION 650: SOCIAL SECURITY

House Resolution. The House resolution calls for $372.5 billion in 1997 budget authority and $368.1 billion in outlays. Over 6 years, it assumes $2,534.8 billion in budget authority and $2,500.7 billion in outlays. The resolution assumes no changes from current law. Current law includes recently enacted legislation that gradually raises the Social Security earnings limit as called for in the Contract With America Advancement Act of 1996 (H.R. 3136).

Senate Amendment. The Senate amendment matches the House resolution with regard to Social Security. It calls for $372.5 billion in 1997 budget authority and $368.1 billion in outlays. Over 6 years, it assumes $2,534.8 billion in budget authority and $2,500.7 billion in outlays. The amendment assumes no changes from current law. Current law includes recently enacted legislation that gradually raises the Social Security earnings limit as called for in the Contract With America Advancement Act of 1996 (H.R. 3136).

Conference Agreement. The conference agreement follows the House resolution and the Senate amendment.

FUNCTION 700: VETERANS' BENEFITS AND SERVICES

House Resolution. The House resolution assumes $39.1 billion in budget authority and $39.7 billion in outlays in fiscal year 1997. Over 6 years, the resolution calls for $230.7 billion in budget authority and $233.3 billion in outlays. The resolution provides for $10.2 billion more in budget authority over 6 years than the President's budget in areas such as medical care, medical research, and the VA cemetery system. For fiscal year 1997, it recommends approximately $100 million more for VA medical care than the President. It also calls for several new initiatives: Raising disabled veterans' auto allowance; improving compensation for surviving spouses; extending back benefit payment limits; providing a scholarship for college seniors; converting certain education benefits to the Montgomery GI Bill; making permanent the Alternative Teacher Certification Program; and funding the Pro Bono Program at the Court of Veterans Appeals.

Senate Amendment. The Senate amendment recommends 1997 budget authority of $39.0 billion, and outlays of $39.5 billion. It calls for $232.7 billion in budget authority over 6 years, and $235.5 billion in outlays. The amendment calls for $13 billion more in budget authority than the President's budget over the next 6 years for veterans' medical care, and assumes continued reform of medical care delivery. It recommends $5.1 billion in savings from extending sunset dates in the Omnibus Budget Reconciliation Act [OBRA] of 1993, repealing the *Gardner* and *Davenport* decisions, rounding down compensation COLA's to the nearest whole dollar, and making other small programmatic reforms.

Conference Agreement. The conference agreement assumes $38.5 billion in budget authority and $39.6 billion in outlays in 1997, and $231.1 billion in budget authority and $234.3 billion in outlays over 6 years. The agreement rejects the administration's proposed cuts for the veterans' medical care, prosthetic research, the National Cemetery System, and numerous other programs for veterans. Thus, the agreement calls for $10.6 billion more in budget authority over 6 years than the President's budget in these and related areas. The agreement assumes adoption of those savings in mandatory programs agreed to with the President during budget negotiations earlier this year. The agreement also assumes enactment of several new initiatives: Raising disabled veterans' auto allowance; improving compensation for surviving spouses; extending back benefit payment limits; providing a scholarship for college seniors; converting certain education benefits to the Montgomery GI Bill; making permanent the Alternative Teacher Certification Program; and funding the Pro Bono Program at the Court of Veterans Appeals.

FUNCTION 750: ADMINISTRATION OF JUSTICE

House Resolution. The House resolution calls for $22.1 billion in budget authority and $19.9 billion in outlays in 1997. It recommends $132.3 billion in budget authority over 6 years, and $127.7 billion in outlays. The resolution assumes $4.7 billion in 1997 budget authority for the Violent Crime Reduction Trust Fund. It provides for full funding of $699 million for reforms contained in the House's recently passed Immigration in the National Interest Act, and full funding of $229 million for the Antiterrorism and Effective Death Penalty Act of 1996. The resolution also recommends eliminating the political appointment process for U.S. Marshals.

Senate Amendment. For 1997, the Senate amendment recommends $21.7 billion in budget authority and $20.6 billion in outlays. It calls for $130.3 billion in budget authority and $127.2 billion in outlays through 2002. The amendment assumes full funding of $5 billion in 1997 budget authority for the Violent Crime Reduction Trust Fund, and calls for eliminating the political appointment process for U.S. Marshals.

Conference Agreement. The conference agreement assumes $20.9 billion in budget authority and $19.5 billion in outlays in 1997, and $130.4 billion in budget authority and $126.8 billion in outlays over 6 years. The conferees recommend $4.7 billion in 1997 budget authority for the Violent Crime Reduction Trust Fund to demonstrate the continued Federal commitment to support Federal, State, and local law enforcement and crime prevention efforts. The conferees assume full funding for the Antiterrorism and Effective Death Penalty Act of 1996. In addition, the conference agreement supports the Immigration in the National Interest Act and calls for sufficient funding to implement the reform priorities set forth in the act.

FUNCTION 800: GENERAL GOVERNMENT

House Resolution.—For Function 800, the House resolution provides for 1997 budget authority of $11.4 billion and outlays of $11.7 billion. Over 6 years, the resolution recommends $75.8 billion in budget authority and $76.5 billion in outlays. The resolution calls for ending the government's monopoly on printing and implementing overall reform of the General Services Administration. It also assumes savings from amending the McKinney Homeless Assistance Act to reduce unnecessary litigation during the disposal of surplus Federal property.

Senate Amendment.—The Senate amendment recommends 1997 levels of $13.8 billion in budget authority and $13.7 billion in outlays. It calls for 6-year budget authority of $80.7 billion and outlays of $80.2 billion. The amendment assumes savings of $1.5 billion over 6 years on Federal courthouse construction.

Conference Agreement.—The conferees recommend $12.4 billion in budget authority and $12.2 billion in outlays in 1997, and $79.8 billion in budget authority and $79.6 billion in outlays over 6 years. It also assumes savings from amending the McKinney Homeless Assistance Act to reduce unnecessary litigation during the disposal of surplus Federal property.

FUNCTION 900: NET INTEREST

House Resolution.—The House resolution assumes net interest levels in 1997 of $242.1 billion in budget authority and outlays. Over 6 years, net interest would be $1,441.0 billion in budget authority and outlays. The balanced budget plan called for in the resolution is projected to reduce net interest payments from $239.7 billion in 1996 to $235.6 billion in 2002.

Senate Amendment.—The Senate amendment assumes $242.2 billion in 1997 budget authority and outlays for net interest. Over 6 years, a total of $1,444.6 billion in budget authority and outlays is assumed. The balanced budget plan called for in the amendment is projected to reduce net interest payments from $239.7 billion in 1996 to $236.6 billion in 2002.

Conference Agreement.—The conference agreement assumes $242.0 billion in 1997 budget authority and outlays for net interest, and $1,442.8 billion in budget authority and outlays over 6 years.

FUNCTION 920: ALLOWANCES

House Resolution.—For 1997, the House resolution assumes $2.7 billion in budget authority and −$1.0 billion in outlays. It calls for −$7.5 billion in budget authority over 6 years, and −$6.2 billion in outlays. The resolution assumes repeal of the Davis-Bacon Act and the Service Contract Act and a reduction in the number of political appointees in the executive branch. It calls for contracting out printing orders of less than $1,000. It also recommends funding for emergencies, contingent emergencies, and an anticipated 1997 supplemental appropriation for the Federal Emergency Management Agency [FEMA]. In addition, this function reflects a portion of the savings from allowing an open season for Federal CSRS employees to convert to FERS. [A debt collection provision identical to that in the Senate amendment in this function is reflected in Function 950 of the House resolution.]

Senate Amendment.—The Senate amendment calls for 1997 budget authority of −$1.6 billion and outlays of $0.8 billion. Over 6 years, the amendment assumes −$8.0 billion in budget authority and −$5.0 billion in outlays. The amendment assumes additional savings by expanding debt collection provisions in the Omnibus Consolidated Rescissions and Appropriations Act (Public Law 104–134). It also assumes reform of the Davis-Bacon Act and repeal of the Service Contract Act.

Conference Agreement.—The conference agreement assumes −$465 million in budget authority and −$1.9 billion in outlays in 1997, and −$12.3 billion in budget authority and −$10.8 billion in outlays over 6 years. The conference agreement assumes the additional $235 million in savings from expanding debt collection provisions contained in the Omnibus Consolidated Rescissions and Appropriations Act (Public Law 104–134).

FUNCTION 950: UNDISTRIBUTED OFFSETTING RECEIPTS

House Resolution.—For 1997, the House resolution assumes −$52.2 billion in budget authority and outlays. It assumes −$278.9 billion in budget authority and outlays over 6 years. The resolution assumes an additional $235 million above the Balanced Budget Downpayment Act, II level from amending debt collection provisions. It also reflects in this function the receipts portions of the Federal retirement provisions, including the increased agency contributions and a portion of the open season for CSRS employees to convert to FERS. It assumes savings from enactment of the expanded spectrum auction provisions included in the Balanced Budget Act of 1995 (H.R. 2491).

Senate Amendment.—The Senate amendment assumes budget authority and outlays of −$50.3 billion in 1997 and −$277.0 billion over 6 years. It assumes the increased employers' share payments in Federal retirement and enactment of the expanded spectrum auction provisions included in the Balanced Budget Act of 1995 (H.R. 2491). [Debt collection provision identical to those reflected in the House resolution in this function appear in Function 920 of the Senate amendment.]

Conference Agreement.—The conferees assume $52.0 billion in budget authority and $52.0 billion in outlays in 1997. Over 6 years, they assume $277.8 billion in budget authority and $277.8 billion in outlays. The agreement assumes the spectrum auction provision in the House resolution and the Senate amendment. In addition, a portion of the Federal retirement reforms discussed in Function 600 appear in Function 950. Agency contributions to the Civil Service Retirement and Disability Trust Fund [CSRDF] are assumed to increase by 1.51 percentage points for all CSRS employees beginning October 1, 1996.

REVENUES

House Resolution.—The House resolution assumes $1,470.4 billion in revenues in 1997 and $9,877.2 billion over 6 years. It calls for tax relief of $123.7 billion over 6 years with adoption of a permanent $500-per-child middle-class family tax credit. The resolution also assumes a $5,000 tax credit for adoption expenses as contained in the Adoption Promotion and Stability Act of 1996 (H.R. 3286), and a repeal of the President's 4.3-cent increase in the gasoline tax. It allows for potential additional tax relief on a deficit-neutral basis by reducing business tax subsidies and extending expired tax provisions. In addition, the resolution calls for $9 billion in savings from the Earned Income Credit [see Function 600], and assumes revenues portions of the Federal retirement reforms, including the increased employee contribution to the retirement trust fund [see Function 600]. Finally, it calls for $1.315 billion from enactment of debt collection measures.

Senate Amendment.—The Senate amendment assumes aggregate revenue levels of $1,471.2 billion in 1997 and $9,879.2 billion over 6 years. It calls for tax relief of $122 billion over 6 years with adoption of a permanent $500-per-child middle-class family tax credit. It establishes a reserve fund to provide for the following: additional tax relief to middle-class families and small businesses; relief from gasoline taxes; and incentives for saving and investment on a deficit-neutral basis. The amendment also assumes $5.5 billion in savings from the Earned Income Credit [see Function 600] and includes in the revenues function the increased employee contribution portion of the "Stevens" package of Federal retirement reforms discussed in Function 600.

Conference Agreement.—The conference agreement assumes $1,468.7 billion in revenues in 1997 and $9,880.7 billion over 6 years. It assumes $122.4 billion in tax relief with adoption of a $500-per-child middle-class family tax credit. The agreement assumes $1.315 billion in additional revenues resulting from enactment of debt collection measures. The revenue aggregates also reflect the revenue portion of reforming the Earned Income Credit and the contribution portion of the "Stevens" package of Federal retirement reforms.

RECONCILIATION

Under sections 301(b) and 310(a) of the Budget Act, the budget resolution may include reconciliation instructions directing the authorizing committees to make changes in mandatory spending and revenues. The purpose of reconciliation instructions, as set forth in section 310(a) of the Budget Act, is to effectuate the provisions and requirements of a concurrent resolution on the budget.

INTERVALS

House Resolution. The House resolution provides reconciliation instructions for the appropriate authorization committees to achieve specified aggregate targets for fiscal year 1997, fiscal year 2002, and the 6-year total for fiscal years 1997 through 2002. In addition the Committees on Banking and Financial Services and Government Reform and Oversight have deficit reduction targets for the same intervals.

Senate Amendment. The Senate amendment provides reconciliation instructions for its committees to achieve savings from a baseline for fiscal year 1997 and the 6-year total for fiscal years 1997 through 2002 (except for the tax relief bill, which is reconciled for fiscal year 2002, and the 6-year total of 1997 through 2002).

Conference Agreement. The conference agreement provides reconciliation instructions that will produce changes in mandatory spending for fiscal year 1997, fiscal year 2002, and the 6-year total for fiscal years 1997 through 2002. The agreement provides instructions that will produce changes in revenues for the 6-year total for fiscal years 1997 through 2002.

DEADLINES, SUBJECT MATTER, AND COMMITTEES RECONCILED

House Resolution. The House budget resolution establishes a process for considering three separate reconciliation bills. On three specified dates, the appropriate House authorizing committees are instructed to submit their reconciliation recommendations to the House Committee on the Budget. The House Committee on the Budget will report, without substantive change, three separate reconciliation bills. Each of these bills will be fully privileged in the House as a reconciliation bill as defined in section 310 of the Congressional Budget Act.

The deadlines, subject matter, and list of instructed committees are summarized below:

— *May 24—Welfare and Medicaid Reform.* Committees reconciled: Agriculture, Commerce, Economic and Educational Opportunities, and Ways and Means.

— *June 14—Medicare Preservation.* Committees reconciled: Commerce and Ways and Means.

— *July 12—Tax Relief and Miscellaneous and Financial Services Direct Spending Reforms.* Committees reconciled: Banking and Financial Services, Commerce, Economic and Educational Opportunities, Government Reform and Oversight, International Relations, Judiciary, National Security, Resources, Science, Transportation and Infrastructure, Veterans' Affairs, and Ways and Means.

Although the House resolution does not include contingency provisions comparable to the Senate amendment, the House retains its prerogative to allow floor consideration of subsequent reconciliation bills if one or more of the reconciliation bills are vetoed.

Senate Amendment. Section 105 of the Senate amendment establishes a three-step interdependent reconciliation process. The first step of this process involves reform of the welfare and Medicaid programs, and the Agriculture and Finance Committees are instructed to report their recommended changes in law to the Senate Committee on the Budget by June 14, 1996. If this first reconciliation bill is enacted into law, then the following committees are instructed to report their recommended changes in law to the Senate Committee on the Budget by July 12, 1996: Agriculture, Nutrition, and Forestry; Armed Services; Banking, Housing, and Urban Affairs; Commerce, Science, and Transportation; Energy and Natural Resources; Environment and Public Works; Finance; Governmental Affairs; Judiciary; Labor and Human Resources; and Veterans' Affairs. Finally, if both the first and second bills are enacted into law, the Finance Committee is instructed to report to the Senate by September 18, 1996, changes in law regarding reductions in revenue.

Conference Agreement. The conference includes instructions for considering three separate reconciliation bills. The submission deadlines, subject matter, and reconciled committees for the House are as follows:

— *June 13, 1996—Welfare and Medicaid Reform and Tax Relief.* House committees reconciled: Agriculture, Commerce, Economic and Educational Opportunities, and Ways and Means.

— *July 18, 1996—Medicare Preservation.* House committees reconciled: Commerce and Ways and Means.

— *September 6, 1996—Tax and Miscellaneous Direct Spending Reforms.* House committees reconciled: Agriculture, Banking and Financial Services, Commerce, Economic and Educational Opportunities, Government Reform and Oversight, International Relations, Judiciary, National Security, Resources, Science, Transportation and Infrastructure, Veterans' Affairs, and Ways and Means. The amount reconciled in this third reconciliation bill will reflect the full amount of any tax changes reconciled pursuant to this budget resolution conference report. The amount reconciled in the third reconciliation bill shall be adjusted to reflect any amount of revenue reduction enacted pursuant to this budget resolution conference report.

The House conferees note that the multi-reconciliation process provides maximum flexibility to achieve the changes in spending and the tax relief assumed in this conference report. For example, any of the spending or revenue changes assumed in the first bill could—if not enacted—be achieved in the third bill. Moreover, the reconciled committees are permitted to exceed the savings assumed in each of the reconciliation bills. Nevertheless, the process still requires reconciled committees ultimately to meet their targets whether incrementally through the separate reconciliation bills or solely through the third bill.

The submission deadlines, assumed subject matter, and reconciled committees for the Senate are as follows:

— *June 21, 1996—First Reconciliation Instruction: Assumed Welfare and Medicaid Reform and Miscellaneous Tax Relief.* Senate committees reconciled: Agriculture and Finance.

— *July 24, 1996—Second Reconciliation Instruction: Assumed Medicare Reform.* Senate committee reconciled: Finance.

— *September 18, 1996—Third Reconciliation Instruction: Assumed Tax Relief and Miscellaneous Direct Spending Reforms.* Senate committees reconciled: Agriculture, Nutrition, and Forestry; Armed Services; Banking, Housing, and Urban Affairs; Commerce, Science, and Transportation; Energy and Natural Resources; Environment and Public Works; Finance; Governmental Affairs; Judiciary; Labor and Human Resources; and Veterans' Affairs.

The Senate conferees note that the Budget Act and the precedents of the Senate permit a concurrent resolution on the budget that includes reconciliation instructions which result in more than one reconciliation bill, and which includes a reconciliation instruction that standing alone could increase the deficit.

Section 310 of the Budget Act provides that reconciliation instructions may appropriately be included in a budget resolution. The Budget Act is silent as to the number of reconciliation bills which may result from any such instructions. Moreover, there is clear precedent for providing for more than one reconciliation bill. This is not the first time a budget resolution has done so.

The budget resolution for fiscal year 1994 (House Concurrent Resolution 64) which implemented President Clinton's first budget, provided for two reconciliation bills: an omnibus reconciliation bill and a debt limit bill. The omnibus bill considered as a result of that budget resolution contained many provisions which arguably did not contribute in any way to "deficit reduction"—notably the substantial increase in spending in the Food Stamp Program and the Federal purchase of all childhood vaccines.

The budget resolution for fiscal year 1983 (Senate Concurrent Resolution 92) provided for an omnibus reconciliation bill and a tax reconciliation bill. The omnibus bill (Public Law 97-253) resulted from instructions that required Senate committees to report their recommended changes by July 20, 1982. A second set of instructions directed the Committee on Finance to report additional changes by July 12, 1982. These additional changes became the Senate's amendment to a nonreconciliation tax bill which originated in the House (the Tax Equity and Fiscal Responsibility Act [TEFRA], Public Law 97-248). Notwithstanding the fact that TEFRA was not considered on the floor of the Senate as a reconciliation bill, this was clearly an example of a reconciliation instruction directed at producing a separate reconciliation bill.

Section 310(a)(2) provides that a budget resolution may specify the total amount by which revenues are to be changed. It is important to note that section 310 dictates neither the magnitude nor direction of such changes. Thus nothing in the Budget Act prohibits reconciliation instructions from reducing revenues. The precedents confirm this authority. This is not the first time a budget resolution has contained among its reconciliation instructions an instruction for an increase in the deficit. Again in House Concurrent Resolution 64, the budget resolution for fiscal year 1994, the House Agriculture Committee was reconciled for outlay increases for fiscal years 1994 through 1998. This instruction permitted the House Agriculture Committee to successfully bring through the conference on the reconciliation bill language which substantially expanded spending in the Food Stamp Program. More recently, in last year's budget resolution (House Concurrent Resolution 67), the Finance Committee was reconciled for revenue reduction.

The first use of reconciliation was for legislation that reduced revenues. In 1975 the applicable budget resolution (House Concurrent Resolution 466) provided an instruction to both Ways and Means and Finance to report legislation decreasing revenues.

Notwithstanding the fact that the authors of the 1974 Budget Act were neutral as to the policy objectives of reconciliation, since 1975 reconciliation and reconciliation legislation has been used to reduce the deficit. The Senate conferees note that while this resolution includes a reconciliation instruction to reduce revenues, the sum of the instructions would not only reduce the deficit but would result in a balanced budget by 2002.

The Senate conferees also note that the three-bill approach to reconciliation contained in this resolution provides for a more thorough and orderly consideration of the issues involved. It provides for extensive consideration on the Senate floor of the proposal for balancing the budget by the year 2002 as embodied by this budget resolution. Rather than having just 20 hours of debate on a single bill and 10 hours of debate on a conference report, this three-step process would permit 60 hours of debate on the bills and 30 hours of debate on the conference reports. In addition, in separating the proposal to balance the budget into manageable issues, Senators are permitted to address their specific concerns to the issues contained in each bill, rather than forcing Senators to vote on an "all-or-nothing proposition." Furthermore, the Senate conferees note that section 313 of the Budget Act, known as the "Byrd Rule," provides great protection to the minority against extraneous matter being placed in any reconciliation bill and is reinforced by a 60-vote margin required to waive its restrictions.

Separate tables for the House and Senate summarize the levels or amounts reconciled to each of the appropriate committees are provided below:

RECONCILIATION BY HOUSE COMMITTEE

WELFARE AND MEDICAID REFORM AND TAX RELIEF

Recommendations Due June 13, 1996

[In millions of dollars]

Committee	1997	2002	1997–2002
Agriculture Committee: Direct spending	35,609	36,625	216,316
Commerce Committee: Direct spending	326,354	473,718	2,395,231
Economic and Educational Opportunities Committee: Direct spending	15,808	19,670	105,331
Ways and Means Committee:			
Direct spending	381,199	563,607	2,810,569
Revenue change	NA	NA	−122,400

MEDICARE PRESERVATION

Recommendations Due July 18, 1996

[In millions of dollars]

Committee	1997	2002	1997–2002
Commerce Committee: Direct spending	319,554	420,915	2,237,231
Ways and Means Committee: Direct spending	374,399	510,804	2,652,569

TAX AND MISCELLANEOUS DIRECT SPENDING REFORMS

Recommendations Due September 6, 1996

[In millions of dollars]

Committee	1997	2002	1997–2002
Agriculture: Direct spending	35,599	36,614	216,251
Banking and Financial Services:			
Direct spending	−12,645	−5,775	−41,639
Deficit reduction [1]	0	115	305
Commerce: Direct spending	318,054	415,290	2,216,885
Economic and Educational Opportunities: Direct spending	15,025	18,963	101,660
Government Reform and Oversight:			
Direct spending	65,164	82,594	442,230
Deficit reduction [1]	201	590	2,837
International Relations: Direct spending	13,025	10,311	67,953
Judiciary: Direct spending	2,784	4,586	26,482
National Security: Direct spending	39,787	49,774	271,815
Resources: Direct spending	2,115	2,048	11,652
Science: Direct spending	40	46	242
Transportation and Infrastructure: Direct spending	18,315	18,001	107,328
Veterans' Affairs: Direct spending	21,375	22,217	130,468
Ways and Means:			
Direct spending	372,342	508,107	2,638,057
Revenue change	NA	NA	[2] −113,838

[1] Deficit reduction targets are in addition to and not reflected in the Committee's total direct spending level.

[2] The amount reconciled in the third reconciliation bill shall be adjusted to reflect any amount of revenue reduction enacted pursuant to this budget resolution conference report.

RECONCILIATION BY SENATE COMMITTEE

FIRST RECONCILIATION

Recommendations Due June 21, 1996

[In billions of dollars]

Committee	1997	2002	1997–2002
Agriculture, Nutrition and Forestry: Direct spending	−1.974	−5.967	−26,169
Finance:			
Direct spending	−0.260	−36.578	−98.321
Revenues	NA	NA	−122.400

SECOND RECONCILIATION

Recommendations Due July 24, 1996

[In billions of dollars]

Committee	1997	2002	1997–2002
Finance: Direct spending	−6.800	−52.803	−158.000

THIRD RECONCILIATION

Recommendations Due September 18, 1996

[In billions of dollars]

Committee	1997	2002	1997–2002
Agriculture, Nutrition and Forestry: Direct spending	−0.010	−0.011	−0.065
Armed Services: Direct spending	−0.079	−0.166	−0.649
Banking, Housing and Urban Affairs: Deficit reduction	3.628	0.462	3.605
Commerce, Science and Transportation: Direct spending	NA	−5.649	−19.396
Energy and Natural Resources: Direct spending	−0.090	−0.072	−1.512
Environment and Public Works: Direct spending	−0.087	−0.392	−2.184
Finance: Deficit reduction	3.639	4.121	23.184
Governmental Affairs: Deficit reduction	1.101	1.492	8.801
Judiciary: Direct spending	NA	−0.119	−0.476
Labor and Human Resources: Direct spending	−0.783	−0.707	−3.671
Veterans' Affairs: Direct spending	−0.126	−1.418	−5.271

ELECTIVE OMNIBUS BILL

House Resolution. Section 4(a)(1)(4) of the House resolution provides the chairman with the discretion to designate an additional submission deadline for an omnibus reconciliation bill. The authority to include such a procedure is set forth in section 301(b)(4) of the Budget Act, which provides that the budget resolution may "set forth such other matters, and require such other procedures, relating to the budget, as may be appropriate to carry out the purposes of this Act." This omnibus bill would be fully privileged as a reconciliation bill as defined in section 310 of the Budget Act.

Although the House resolution provides for the possibility of an omnibus reconciliation bill, each authorizing committee is still required to meet its reconciliation targets as if each of the reconciliation bills had been moved separately. Committees may submit recommendations previously vetoed and revise their submissions so long as they meet each of their separate targets.

Senate Amendment. The Senate amendment does not contain a comparable provision.

Conference Agreement. The House recedes to the Senate amendment.

BUDGET ENFORCEMENT

Under the Budget Act, the aggregate spending and revenue levels set forth in the concurrent budget resolution and the allocations in the accompanying report are enforced through points of order that may be raised on the House and Senate floor during the consideration of such legislation. Since the Constitution reserves to the Congress the power to revise its own rules, and the Budget Act specifies that the concurrent budget resolution may include "such other matters, and require such other procedures, relating to the budget, as may be appropriate to carry out the purposes of this Act," the House and Senate budget resolutions include changes in congressional budgetary procedures.

ASSET SALES

House Resolution. Under section 5 of the House budget resolution, both the proceeds and costs from asset sales are included in committee allocations, counted in determining of compliance with reconciliation instructions pursuant to section 310 of the Budget Act, and in meeting other Budget Act requirements that are enforceable in the House by points of order.

Senate Amendment. The Senate amendment includes language providing that only those asset sales that contribute to long-term deficit reduction shall be counted for various Budget Act purposes. For the purposes of this section, the long-term budgetary effects are to be calculated by estimating the impact of an asset sale on a net present value basis. If the asset sale would result in an increase in the deficit based on this net present value analysis, then the proceeds from the asset sale will not be scored for the purposes of budget resolutions and the Budget Act.

Conference Agreement. Section 302 of the conference report extends to the Senate the budgetary treatment of assets set forth in the House resolution. In addition, the conference report includes related sense of Congress language on the sale of government assets. The Senate amendment provides a legitimate rule for the scoring of asset sales based on a net present value analysis. The Senate amendment, however, raises a number of issues with respect to the construction and administration of such an analysis and rule. These issues include the appropriate discount rate, the duration, and the incorporation of tax proceeds that would result from private ownership of an asset in such an analysis. The conferees note that the Congressional Budget Office is conducting a study of asset sales and believe it is appropriate to forgo establishing such a rule until this study and further consultations with the Congressional Budget Office and others have been completed.

The conferees are concerned about the long-term budgetary impact of asset sales and do not support asset sales that would cost the Federal Government money in the long run. The conferees believe that the Congress should consider adoption of a new scoring rule that would take into account the long-term budgetary impact of asset sales.

RESERVE FUND FOR TAX RELIEF

House Resolution. The House budget resolution does not include a reserve fund for tax relief legislation because reserve funds are unnecessary in the House. Section 602(e) of the Budget Act specifically exempts tax and other legislation not assumed in the baseline but offset in the same or other House-passed legislation (assuming such offsets are in addition to amounts required by the appropriate budget resolution) from sections 302(f) and 303(a) of the Budget Act.

Senate Amendment. Section 202 of the Senate amendment provides for a reserve fund for the consideration of deficit-neutral legislation that reduces revenues. The reserve fund provides the chairman of the Senate Committee on the Budget with the authority to modify the binding ceiling on budget authority and outlays as well as the floor on revenue for such legislation.

Under subsection (b), the budget aggregates, function totals, and allocations under section 602 of the Budget Act may be adjusted by the chairman of the Senate Committee on the Budget to accommodate deficit-neutral tax legislation. The chairman has the authority to trigger the reserve fund if the revenue legislation does not increase the deficit for fiscal year 1997, the period of fiscal years 1997–2001 and the period of fiscal years 2002–2006.

Conference Agreement. The House recedes to the Senate amendment.

RESERVE FUND FOR SUPERFUND

House Resolution. The House budget resolution does not include reserve fund language for the Superfund Program. The House resolution assumes $2 billion annually in discretionary budget authority for the Superfund Program.

Senate Amendment. Section 203 of the Senate amendment establishes a reserve fund for legislation extending Superfund taxes and making various reforms in the Superfund Program. Under the Senate amendment, the chairman is authorized to revise the appropriate functional levels, the appropriate budget aggregates, and discretionary spending limits to provide additional resources for an appropriation measure that funds the Superfund Program. The adjustments are limited to the net revenue increase resulting from enactment of legislation that extends Superfund taxes and $898 million in budget authority (along with the corresponding outlays).

Conference Agreement. Section 304 of the conference report modifies the Senate amendment to apply the Superfund reserve fund in the House and the Senate and to clarify that any reform of the Superfund Program must provide for the actual cleanup of hazardous waste sites.

If Superfund reserve adjustments are made, the conference agreement includes language that, in the House, authorizes the Budget Committee chairman to reverse the adjustments made pursuant to this reserve fund. In the Senate, this language is unnecessary. In the past, when a budget resolution has contained a reserve fund, the practice in the Senate has been to adjust budget resolution levels only for the legislation that qualifies for the reserve fund. This ensures that the budget resolution's modified levels are not available for other legislation that does not meet the requirements of the particular reserve fund.

STUDENT LOANS

House Resolution. Section 6 of the House resolution is identical to section 207 of House Concurrent Resolution 67, the fiscal year 1996 budget resolution, and provides that the administrative costs for new direct student loans are to be scored on a net present value basis for all purposes under the Budget Act, just as they currently are for guaranteed student loans. The purpose of this provision is to conform the budgetary treatment of direct student loans to that of guaranteed student loans.

This change corrects a disparity that has arisen under the Federal Credit Reform Act of 1990 for the scoring of student loans. Under Credit Reform, the administrative costs for direct student loans are measured on a cash basis, with the budget reflecting only that year's cost of administering the loan. For guaranteed student loans, most administrative costs are measured on a net present value basis for the entire length of the loan.

As a consequence of this disparity in the budgetary treatment of these two types of loans, direct student lending appears less expensive than guaranteed student lending. Both the Congressional Research Service and the Congressional Budget Office acknowledge the bias that this treatment of administrative expenses has created.

Senate Amendment. Although the Senate amendment has no comparable provision, identical language that was included in section 207 of the conference report accompanying House Concurrent Resolution 67 is still applicable in the Senate.

Conference Agreement. Section 303 of the conference report reflects the House provision.

The conferees acknowledge that the Congressional Budget Office [CBO] has correctly interpreted section 207 of the fiscal year 1996 budget resolution (House Concurrent Resolution 67) with the understanding that Congress did not intend to change the manner in which guaranteed student loans are scored, but only to conform the budgetary treatment of direct student loans to that of guaranteed student loans. Therefore, the conferees conclude that CBO has correctly determined that any administrative expenses for guaranteed student loans which were included in the subsidy estimate shall continue to be accorded the same budgetary treatment by CBO. Any equivalent administrative expenses for direct loans shall be considered in the same manner. In addition, the conferees intend that any expenses for guaranteed student loans which were scored on a cash basis using the method of calculation from fiscal year 1994 shall continue to be accorded the same budgetary treatment by CBO. Equivalent administrative expenses for direct loans shall be considered in the same manner.

DEFENSE/NONDEFENSE LIMITS

House Resolution. The House resolution does not establish separate limits for defense and nondefense discretionary spending.

Senate Amendment. Section 201(a) of the Senate amendment sets forth separate limits on defense and nondefense discretionary spending for fiscal years 1997 and 1998. Subsection (b)(1)(A) creates a point of order in the Senate against consideration of any budget resolution that exceeds the aggregate cap on the sum of defense and nondefense discretionary spending for fiscal years 1997 and 1998. Subsection (b)(1)(B) creates a point of order in the Senate against consideration of any budget resolution that exceeds the aggregate cap on discretionary spending for fiscal years 1999 through 2002. Subsection (b)(1)(C) provides a point of order against an appropriations bill that would exceed any of the discretionary spending limits for a fiscal year or would exceed the suballocations set forth in section 602(b) of the Budget Act. The point of order may be waived or suspended by three-fifths vote of the Senate.

Conference Agreement. In section 301 of the conference report, the House recedes to the Senate amendment with the discretionary spending limits at the following levels:

	Defense		Nondefense		Total	
	Budget authority-	Outlays	Budget authority-	Outlays	Budget authority-	Outlays
1997	266,362	264,968	226,305	270,571	492,667	535,539
1998	268,971	263,862	219,646	258,429	488,617	522,291
1999	271,500	267,048	213,718	252,981	485,218	520,029
2000	274,024	270,657	218,515	248,847	492,539	519,504
2001	276,672	269,744	214,445	246,479	491,117	516,223
2002	279,459	269,608	221,133	244,611	500,592	514,219

EMERGENCIES

House Resolution. The House resolution does not include language on the budgetary treatment of emergencies, although a related sense-of-Congress provision included in section 8 includes the elimination of the emergency designation as one of the alternatives to the existing budgetary treatment of emergencies.

Senate Amendment. Section 204 of the Senate amendment provides the budgetary costs of all emergencies will be counted for purposes of complying with committee allocations and the aggregate spending levels set forth in the budget resolution.

Under section 251 of the Balanced Budget and Emergency Deficit Control Act, Congress and the President may exempt from statutory spending limits amounts provided in emergency legislation. Section 606 of the Budget Act provides that legislation so designated is also exempt from points of order under sections 302(f) and 311(a) of the Budget Act.

Section 204 supersedes section 606 of the Budget Act. Accordingly, budget authority and outlays designated as emergency legislation would be subject to points of order raised under sections 302(f) and 311(a) of the Budget Act.

Conference Agreement. The conference agreement does not contain the Senate provision.

RULEMAKING AUTHORITY

House Resolution. The House resolution does not include language regarding the exercise of rulemaking authority.

Senate Amendment. Section 205 of the Senate amendment states that the provisions of this title are adopted pursuant to the rulemaking power of the House and the Senate, and are to be considered as part of the rules of each House. The Senate amendment also states that either House has the right to change these rules at any time in the same manner as any other rule of that House.

Conference Agreement. In section 306 of the conference report, the House recedes to the Senate amendment, with an amendment that states that the provisions regarding the exercise of rulemaking power also apply to the House.

GOVERNMENT SHUTDOWN PREVENTION ALLOWANCE

The conference agreement permits an adjustment in the nondefense discretionary outlay level, and other appropriate levels, for fiscal year 1997 to avoid a government shutdown.

MISCELLANEOUS BUDGET ENFORCEMENT

The Senate conferees note that in last year's budget resolution (House Concurrent Resolution 67) the pay-as-you-go [PAYGO] point of order for the Senate was extended through the end of fiscal year 2002. Consequently it was determined that it is not necessary to include the language in the text of this year's resolution. In order to emphasize the overall goal of balancing the budget set out in this resolution and that the pay-as-you-go discipline is still in effect, the text of section 202 from House Concurrent Resolution 67 is provided herein:

"SEC. 202. EXTENSION OF PAY-AS-YOU-GO POINT OF ORDER.

"(a) PURPOSE.—The Senate declares that it is essential to—

"(1) ensure continued compliance with the balanced budget plan set forth in this resolution; and

"(2) continue the pay-as-you-go enforcement system.

"(b) POINT OF ORDER.—

"(1) IN GENERAL.—It shall not be in order in the Senate to consider any direct spending or revenue legislation that would increase the deficit for any one of the three applicable time periods as measured in paragraphs (5) and (6).

"(2) APPLICABLE TIME PERIODS.—For purposes of this subsection the term "applicable time period" means any one of the three following periods:

"(A) The first year covered by the most recently adopted concurrent resolution on the budget.

"(B) The period of the first five fiscal years covered by the most recently adopted concurrent resolution on the budget.

"(C) The period of the five fiscal years following the first five fiscal years covered in the most recently adopted concurrent resolution on the budget.

"(3) DIRECT-SPENDING LEGISLATION.—For purposes of this subsection and except as provided in paragraph (4), the term "direct-spending legislation" means any bill, joint resolution, amendment, motion, or conference report that affects direct spending as that term is defined by and interpreted for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

"(4) EXCLUSION.—For purposes of this subsection, the terms "direct-spending legislation" and "revenue legislation" do not include—

"(A) any concurrent resolution on the budget; or

"(B) any provision of legislation that affects the full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990.

"(5) BASELINE.—Estimates prepared pursuant to this section shall—

"(A) use the baseline used for the most recently adopted concurrent resolution on the budget; and

"(B) be calculated under the requirements of subsections (b) through (d) of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 for fiscal years beyond those covered by that concurrent resolution on the budget.

"(6) PRIOR SURPLUS.—If direct spending or revenue legislation increases the deficit when taken individually, then it must also increase the deficit when taken together with all direct spending and revenue legislation enacted since the beginning of the calendar year not accounted for in the baseline under paragraph (5)(A), except that the direct spending or revenue effects resulting from legislation enacted pursuant to the reconciliation instructions included in that concurrent resolution on the budget shall not be available.

"(c) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

"(d) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

"(e) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

"(f) CONFORMING AMENDMENT.—Section 23 of House Concurrent Resolution 218 (103d Congress) is repealed.

"(g) SUNSET.—Subsections (a) through (e) of this section shall expire September 30, 2002."

LANGUAGE RELATED TO THE FEDERAL RESERVE SURPLUS

Because the goal of this resolution is to achieve a balanced budget in 2002 in a manner that generates economic dividends, the Budget Committees discourage other reconciled committees from attempting to meet their reconciliation instructions with changes that only appear to reduce the deficit (through timing changes or other artifices) rather than changes with real economic effects. For example, the 1993 budget reconciliation bill included a provision directing the Federal Reserve to transfer $213 million from its surplus capital account to the Treasury over 1997 and 1998. Because the Federal Reserve is not included in the unified budget, the slated transfer was counted as savings for reconciliation purposes even though there was then and is now general agreement that the transfer is a timing gimmick, acts like an intragovernmental transfer, and leaves the private sector and the rest of the economy unaffected. The Congressional Budget Office concurs with the Budget Committees that such a transfer has no real economic impact on the deficit.

These same reasons inform more recent proposals to attach the Federal Reserve's surplus capital account for other than attempted deficit reduction. In late March, a congressionally released draft report by the General Accounting Office [GAO] suggested that the Federal Reserve might not need to retain this surplus and should instead transfer it to the Treasury because, based on history, the Federal Reserve is not likely to experience any losses. Shortly thereafter, various congressional proposals emerged to direct the Federal Reserve to make its surplus capital available to increase discretionary appropriations or to make payments to holders of "private" [FICO] bonds issued in the late 1980's to cover Federal deposit insurance costs of failed savings and loans. The sponsors of these proposals advance them presumably because these uses of the Federal Reserve's surplus appear to be free and would not have to count on the budget.

But just as transferring the surplus account to the Treasury would not decrease the deficit, using the account to pay for anything would not really be free. One simply would be taking money that the Federal Reserve invests in Treasury securities (which thereby reduces the amount of Federal borrowing needed from the general private sector), and instead transferring the money to a certain part of the private sector. That transaction would increase the amount of borrowing that the Federal Government would have to undertake from the general private sector just like a transaction in which money was paid directly out of the Treasury for Federal purposes. Another possible result is that if the Federal Reserve were going to deliver on GAO's recommendation and transfer some (if not all) of the surplus account to the Treasury, designating that money for some Federal purpose before that transfer could occur would be equivalent to paying money directly out of the Treasury for that purpose. Therefore, the conferees (using the authority provided to the Budget Committees for estimating outlays and revenues by section 310(d)(4) of the Congressional Budget Act) direct the Congressional Budget Office on the following points: do not score savings for any new legislation that might affect the Federal Reserve's transfer of the surplus capital account to the Treasury, but do score as a cost any legislation that directs spending out of the Federal Reserve capital account.

SENSE OF CONGRESS

The budget resolution routinely includes sense of House, Senate, and Congress provisions.

House Resolution.—The House resolution includes the following sense-of-House provision:

—Sense of the House of Representatives on debt repayment

The House resolution includes the following sense-of-Congress provisions:

—Sense of Congress on baselines

—Sense of Congress on emergencies

—Sense of Congress on loan sales

—Sense of Congress on changes in Medicaid
—Sense of Congress on domestic violence and Federal assistance
—Sense of Congress on impact of legislation on children
—Sense of Congress on commitment to a balanced budget by fiscal year 2002

Senate Amendment.—The Senate amendment includes the following sense-of-Congress provisions:

—Sense of Congress on the sale of government assets
—Sense of Congress that tax reductions should benefit working families
—Sense of Congress on a bipartisan commission on the solvency of Medicare
—Sense of Congress on Medicare transfers
—Sense of Congress regarding changes in the Medicare Program
—Sense of Congress regarding additional changes under the Medicare Program
—Sense of Congress regarding nursing home standards
—Sense of Congress concerning nursing home care
—Sense of Congress regarding requirements that welfare recipients be drug-free
—Sense of Congress on reimbursement of the United States for operations Southern Watch and Provide Comfort
—Sense of Congress that the 1993 income tax increase on Social Security Benefits should be repealed

The Senate amendment includes the following sense-of-the-Senate provisions:

—Sense of the Senate on considering a change in the minimum wage in the Senate
—Sense of the Senate on long-term projections in budget estimates
—Sense of the Senate on repeal of the gas tax
—Sense of the Senate on Medicare trustees report
—Sense of the Senate on funding to assist youth at risk
—Sense of the Senate regarding the use of budgetary savings
—Sense of the Senate regarding the transfer of excess government computers to public schools
—Sense of the Senate on Federal retreats
—Sense of the Senate regarding the essential air service program of the Department of Transportation
—Sense of the Senate regarding equal retirement savings for homemakers
—Sense of the Senate regarding the National Institute of Drug Abuse
—Sense of the Senate regarding the extension of the employer education assistance exclusion under section 127 of the Internal Revenue Code of 1986
—Sense of the Senate regarding the Economic Development Administration placing high priority on maintaining field-based economic development representatives
—Sense of the Senate regarding revenue assumptions
—Sense of the Senate regarding domestic violence
—Sense of the Senate regarding student loans
—Sense of the Senate regarding reduction of the national debt
—Sense of the Senate regarding hungry or homeless children
—Sense of the Senate on LIHEAP
—Sense of the Senate on Davis-Bacon I
—Sense of the Senate on Davis-Bacon II
—Sense of the Senate on an accurate index for inflation
—Sense of the Senate on solvency of the Medicare Trust Fund
—Sense of the Senate regarding the Administration's practice regarding the prosecution of drug smugglers
—Sense of the Senate regarding corporate subsidies and sale of government assets
—Sense of the Senate on the Presidential Election Campaign Fund
—Sense of the Senate regarding welfare reform
—A resolution regarding the Senate's support for Federal, State, and local law enforcement
—Sense of the Senate regarding the funding of Amtrak
—Sense of the Senate—truth in budgeting

Conference Agreement.—The conferees agreed to the following sense-of-Congress provisions:

—Sense of Congress on baselines
—Sense of Congress on loan sales
—Sense of Congress on changes in Medicaid
—Sense of Congress on impact of legislation on children
—Sense of Congress on debt repayment
—Sense of Congress on commitment to a balanced budget by fiscal year 2002
—Sense of Congress that tax reductions should benefit working families
—Sense of Congress on a bipartisan commission on the solvency of Medicare
—Sense of Congress on Medicare transfers
—Sense of Congress regarding changes in the Medicare Program
—Sense of Congress regarding revenue assumptions
—Sense of Congress regarding domestic violence
—Sense of Congress regarding student loans
—Sense of Congress regarding additional changes under the Medicare Program
—Sense of Congress regarding requirements that welfare recipients be drug-free
—Sense of Congress on an accurate index for inflation
—Sense of Congress that the 1993 income tax increase on Social Security benefits should be repealed
—Sense of Congress regarding the administration's practice regarding the prosecution of drug smugglers
—Sense of Congress on corporate subsidies
—Sense of Congress regarding welfare reform
—Sense of Congress on FCC spectrum auctions

The conferees agreed to the following sense-of-the-House provision:

—Sense of the House on emergencies

The conferees agreed to the following sense-of-the-Senate provisions:

—Sense of the Senate on funding to assist youth at risk
—Sense of the Senate on long-term trends in budget estimates
—Sense of the Senate on repeal of the gas tax
—Sense of the Senate regarding the use of budgetary savings
—Sense of the Senate regarding the transfer of excess government computers to public schools
—Sense of the Senate on Federal retreats
—Sense of the Senate regarding the essential air service program of the Department of Transportation
—Sense of the Senate regarding equal retirement savings for homemakers
—Sense of the Senate regarding the National Institute of Drug Abuse
—Sense of the Senate regarding the extension of the employer education assistance exclusion under section 127 of the Internal Revenue Code of 1986
—Sense of the Senate regarding the Economic Development Administration placing high priority on maintaining field-based economic development representatives
—Sense of the Senate on LIHEAP
—Sense of the Senate on Davis-Bacon
—Sense of the Senate on reimbursement of the United States for operations Southern Watch and Provide Comfort
—Sense of the Senate on solvency of the Medicare Trust Fund
—Sense of the Senate on the Presidential Election Campaign Fund
—Sense of the Senate regarding the funding of Amtrak

ALLOCATIONS

As required in sections 302 and 602 of the Budget Act, the joint statement of the managers includes an allocation, based upon the conference report, of the levels of total budget authority, total budget outlays, and—in the House only—total entitlement authority, among each of the appropriate House and Senate committees.

As required under sections 302 and 602, the allocations are divided between mandatory or otherwise uncontrollable amounts and discretionary or otherwise controllable amounts.

The allocations for each House consist of a set of two tables for the House and Senate. The first set of tables shows the allocation for the budget year, fiscal year 1997. For the House, the amount allocated to each committee is broken down by budget function. The second set of tables shows the amounts allocated for the totals of the budget year and the four succeeding planning years.

These allocations serve as the basis for congressional enforcement of the budget resolution through points of order under the Budget Act.

The allocations are as follows:

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 602(a) OF THE CONGRESSIONAL BUDGET ACT—FISCAL YEAR: 1997

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
APPROPRIATIONS COMMITTEE			
Current level (enacted law):			
050 National defense	196	196	0
150 International affairs	170	170	0
300 Natural resources and environment	1,997	2,008	0
350 Agriculture	3,124	1,732	0
370 Commerce and housing credit	32	−318	0
400 Transportation	605	602	0
500 Education, training, employment, and social services	10,741	10,796	0
550 Health	109,098	109,029	0
570 Medicare	58,309	58,309	0
600 Income security	85,391	85,305	0
650 Social Security	21	21	0
700 Veterans benefits and services	19,508	19,552	0
750 Administration of Justice	414	411	0
800 General government	8,666	8,666	0
900 Net interest	10	10	0
Subtotal	298,282	296,489	0
Discretionary appropriations action (assumed legislation):			
050 National defense	266,362	264,968	0
150 International affairs	18,236	19,549	0
250 General, science, space, and technology	16,748	16,826	0
270 Energy	5,126	5,402	0

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 602(a) OF THE CONGRESSIONAL BUDGET ACT—FISCAL YEAR: 1997—Continued

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
300 Natural resources and environment	20,139	21,088	0
350 Agriculture	3,949	3,958	0
370 Commerce and housing credit	3,092	2,990	0
400 Transportation	13,840	36,744	0
450 Community and regional development	7,926	10,345	0
500 Education, training, employment, and social services	37,477	38,506	0
550 Health	23,169	23,236	0
570 Medicare	3,031	3,031	0
600 Income security	27,816	40,398	0
650 Social Security	6	3,194	0
700 Veterans benefits and services	18,425	19,311	0
750 Administration of justice	20,681	19,338	0
800 General government	11,561	11,372	0
920 Allowances	−214	−1,644	0
Subtotal	497,350	538,612	0
Discretionary action by other committees (assumed entitlement legislation):			
370 Commerce and housing credit	−32	−32	0
500 Education, training, employment, and social services	−105	−33	0
550 Health	370	370	0
600 Income security	−2,433	−2,406	0
700 Veterans benefits and services	308	309	0
Subtotal	−1,892	−1,792	0
Committee total	793,740	833,309	0
AGRICULTURE COMMITTEE			
Current level (enacted law):			
150 International affairs	−476	−476	0
270 Energy	0	−972	0
300 Natural resources and environment	683	648	0
350 Agriculture	7,383	5,440	7,177
400 Transportation	30	30	0
450 Community and regional development	253	204	0
600 Income security	67	17	1,173
800 General government	270	270	0
900 Net interest	0	0	10
Subtotal	8,210	5,161	8,360
Committee total	8,210	5,161	8,360
NATIONAL SECURITY COMMITTEE			
Current level (enacted law):			
050 National defense	11,513	11,470	0
300 Natural resources and environment	3	3	0
400 Transportation	0	−19	0
500 Education, training, employment, and social services	4	3	0
600 Income security	29,940	29,855	0
700 Veterans benefits and services	180	180	180
Subtotal	41,640	41,492	180
Discretionary action (assumed legislation):			
050 National defense	−79	−79	0
950 Undistributed offsetting receipts	−1,500	−1,500	0
Subtotal	−1,579	−1,579	0
Committee total	40,061	39,913	180
BANKING AND FINANCIAL SERVICES COMMITTEE			
Current level (enacted law):			
150 International affairs	−588	−2,438	0
370 Commerce and housing credit	405	−6,084	0
450 Community and regional development	6	−58	0
600 Income security	50	−15	0
900 Net interest	3,256	3,256	0
Subtotal	3,129	−5,339	0
Discretionary action (assumed legislation):			
370 Commerce and housing credit	−128	−3,528	0
450 Community and regional development	0	−72	0
600 Income security	0	−100	0
Subtotal	−128	−3,700	0
Committee total	3,001	−9,039	0
ECONOMIC AND EDUCATIONAL OPPORTUNITIES COMMITTEE			
Current level (enacted law):			
500 Education, training, employment, and social services	3,104	2,487	4,050
600 Income security	174	162	9,930
Subtotal	3,278	2,649	13,980
Discretionary action (assumed legislation):			
500 Education, training, employment, and social services	−867	−783	0
600 Income security	−4	−4	−152
920 Allowances	−41	−13	0
Subtotal	−912	−800	−152
Committee total	2,366	1,849	13,828
COMMERCE COMMITTEE			
Current level (enacted law):			
370 Commerce and Housing Credit	4,700	4,700	4,700
500 Education, training, employment, and social services	1	1	0
500 Health	675	675	105,397
800 General government	9	9	0
Subtotal	5,385	5,385	110,097
Discretionary action (assumed legislation):			
550 Health	0	0	370
Subtotal	0	0	370
Committee total	5,385	5,385	110,467
INTERNATIONAL RELATIONS COMMITTEE			
Current level (enacted law):			
150 International affairs	10,900	12,330	0
400 Transportation	7	7	0
600 Income security	523	523	511
800 General government	6	6	0
Subtotal	11,436	12,866	511
Committee total	11,436	12,866	511
GOVERNMENT REFORM AND OVERSIGHT COMMITTEE			
Current level (enacted law):			
550 Health	0	−54	3,914
600 Income security	41,907	40,887	40,887
750 Administration of justice	40	40	40
800 General government	13,042	13,040	0
900 Net interest	28	28	0
950 Undistributed offsetting receipts	−20	−20	0
Subtotal	54,997	53,921	44,841
Discretionary action (assumed legislation):			
600 Income security	−289	−289	−289
800 General government	−3	−3	0
950 Undistributed offsetting receipts	−210	−210	0
	−576	−576	0
Subtotal	−1,078	−1,078	−289
Committee total	53,919	52,843	44,552
OVERSIGHT COMMITTEE			
Current level (enacted law):			
500 Education, training, employment, and social services	28	22	0
800 General government	67	3	95
Subtotal	95	25	95
Committee total	95	25	95
RESOURCES COMMITTEE			
Current level (enacted law):			
270 Energy	8	114	0
300 Natural resources and environment	908	807	0
370 Commerce and housing credit	75	51	0
450 Community and regional development	388	358	0
550 Health	4	4	0
800 General government	742	766	179
950 Undistributed offsetting receipts	−1,355	−1,355	0
Subtotal	770	745	179
Discretionary action (assumed legislation):			
300 Natural resources and environment	−94	−93	−12
800 General government	3	3	0
Subtotal	−91	−90	−12
Committee total	679	655	167
Current level (enacted law):			
370 Commerce and housing credit	195	195	0
600 Income security	59	21	9
750 Administration of justice	1,556	1,538	238
800 General government	619	619	0
Subtotal	2,429	2,373	247
Committee total	2,429	2,373	247
TRANSPORTATION AND INFRASTRUCTURE COMMITTEE			
Current level (enacted law):			
270 Energy	280	222	0
300 Natural resources and environment	245	248	0
400 Transportation	27,102	2,142	602
450 Community and regional development	5	75	0
600 Income security	15,043	15,020	0
800 General government	−1	−1	0
Subtotal	42,674	17,706	602
Discretionary action (assumed legislation):			
400 Transportation	2,280	−150	0
450 Community and regional development	−12	−12	0
600 Income security	12	12	0
Subtotal	2,280	−150	0
Committee total	43,845	17,631	602
SCIENCE COMMITTEE			
Current level (enacted law):			
250 General science, space, and technology	40	39	0
500 Education, training, employment and social services	1	1	0
Subtotal	41	40	0
Committee total	41	40	0
SMALL BUSINESS COMMITTEE			
Current level (enacted law):			
370 Commerce and housing credit	3	−125	0
450 Community and regional development	0	−171	0
Subtotal	3	−296	0
Committee total	3	−296	0
VETERANS' AFFAIRS COMMITTEE			
Current level (enacted law):			
700 Veterans benefits and services	1,437	1,604	20,869
Subtotal	1,437	1,604	20,869

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SEC. 602(a) OF THE CONGRESSIONAL BUDGET ACT—FISCAL YEAR: 1997—Continued

[In millions of dollars]

	Budget authority	Outlays	Entitlement authority
Discretionary action (assumed legislation):			
700 Veterans benefits and services	−90	−90	224
Subtotal	−90	−90	224
Committee total	1,347	1,514	21,093
WAYS AND MEANS COMMITTEE			
Current level (enacted law):			
500 Education, training, employment, and social services	0	0	8,044
570 Medicare	217,200	215,516	215,516
600 Income security	46,173	45,136	37,091
650 Social Security	7,786	7,786	0
750 Administration of Justice	420	380	0
800 General government	473	472	0
900 Net interest	352,452	352,452	352,452
Subtotal	624,504	621,742	613,103
Discretionary action (assumed legislation):			
500 Education, training, employment, and social services	−1,335	−970	−33
570 Medicare	−6,800	−6,800	0
600 Income security	−773	−1,362	−2,024
800 General government	−65	0	0
Subtotals	−8,973	−9,132	−2,057
Committee totals	615,531	612,610	611,046
UNASSIGNED			
Current level (enacted law):			
050 National defense	0	0	0
150 International affairs	0	0	0
250 General science, space, and technology	0	0	0
270 Energy	−12,409	−12,409	0
300 Natural resources and environment	−13,934	−13,934	0
350 Agriculture	−1,686	−1,686	0
370 Commerce and housing credit	−3,002	−3,002	0
400 Transportation	−1,645	−145	0
450 Community and regional development	−156	−156	0
500 Education, training, employment, and social services	−1,229	−195	0
550 Health	−348	−348	0
570 Medicare	−66	−66	0
600 Income security	−88	−88	0
650 Social Security	−78,905	−78,905	0
700 Veterans benefits and services	−13,423	−13,423	0
750 Administration of justice	−1,305	−1,305	0
800 General government	−2,167	−2,167	0
900 Net interest	−23,036	−23,036	0
920 Allowances	−73,155	−73,155	−60,765
950 Undistributed offsetting receipts	−41,883	−41,883	0
Subtotal	−268,438	−265,903	−60,765
Discretionary action (assumed legislation):			
920 Allowances	0	0	0
Subtotal	0	0	0
Committee total	−267,328	−265,828	−60,765
Total—current level	830,982	790,735	752,299
Total—discretionary action	483,778	520,276	−1,916
Grand total	1,314,760	1,311,011	750,383

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SECTIONS 302(a)/602(a) OF THE CONGRESSIONAL BUDGET ACT

[By fiscal year, in millions of dollars]

	1997	1998	1999	2000	2001	1997–2001
Appropriation Committee:						
Current level:						
Budget authority	298,282	297,973	320,594	348,874	370,294	1,636,017
Outlays	296,489	291,204	312,952	342,279	361,183	1,604,107
Discretionary action, general purpose:						
Defense:						
Budget authority	266,362	268,971	271,500	274,024	276,672	1,357,529
Outlays	264,968	263,862	267,048	270,657	269,744	1,336,279
Nondefense:						
Budget authority	226,305	219,646	213,718	218,515	214,445	1,092,629
Outlays	270,571	258,429	252,981	248,847	246,479	1,277,307
Subtotal:						
Budget authority	492,667	488,617	485,218	492,539	491,117	2,450,158
Outlays	535,539	522,291	520,029	519,504	516,223	2,613,586
Violent Crime Reduction Trust Fund:						
Budget authority	4,683	5,100	6,050	6,050	0	21,883
Outlays	3,073	4,664	5,456	5,747	0	18,940
Total discretionary action:						
Budget authority	497,350	493,717	491,268	298,589	491,117	2,472,041
Outlays	538,612	526,955	525,485	525,251	516,223	2,632,526
Discretionary action by other committees:						
Budget authority	−1,892	26,681	22,665	17,861	11,766	77,081
Outlays	−1,792	25,403	22,276	17,713	11,705	75,305
Committee total:						
Budget authority	793,740	818,371	834,527	865,324	873,177	4,185,139
Outlays	833,309	843,562	860,713	885,243	889,111	4,311,938
Agriculture Committee:						
Current level (enacted law):						
Budget authority	8,210	8,359	8,104	7,460	6,402	38,535
Outlays	5,161	5,395	5,109	4,556	3,519	23,740
New entitlement authority	0	1,192	1,236	1,267	1,301	4,996
National Security Committee:						
Current level (enacted law):						
Budget authority	41,640	43,186	44,769	46,343	48,017	223,955
Outlays	41,492	43,001	44,595	46,221	47,899	223,208
Discretionary action:						
Budget authority	−1,579	271	257	243	144	−664
Outlays	−1,579	271	257	243	144	−864
Committee total:						
Budget authority	40,061	43,457	45,026	46,586	48,161	223,291
Outlays	39,913	43,272	44,852	46,464	48,043	222,544
New entitlement authority	0	0	0	0	0	0
Banking and Financial Services Committee:						
Current level (enacted law):						
Budget authority	3,129	4,401	4,147	4,682	4,486	20,845
Outlays	−5,339	−1,679	−2,425	−2,804	−2,179	−14,426
Discretionary action:						
Budget authority	−128	−127	−138	−157	−161	−711
Outlays	−3,700	38	−148	−130	−64	−4,004
Committee total:						
Budget authority	3,001	4,274	4,009	4,525	4,325	20,134
Outlays	−9,039	−1,641	−2,573	−2,934	−2,243	−18,430
Economic Opportunity Committee:						
Current level (enacted law):						
Budget authority	3,278	2,968	3,631	3,889	4,221	17,987
Outlays	2,649	2,649	3,008	3,351	3,648	15,305
Discretionary action:						
Budget authority	−912	−425	−716	−689	−723	−3,465
Outlays	−800	−366	−594	−682	−711	−3,153
Committee total:						
Budget authority	2,366	2,543	2,915	3,200	3,498	14,522
Outlays	1,849	2,283	2,414	2,669	2,937	12,152
New entitlement authority	−152	1,275	2,031	2,236	2,279	7,669

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SECTIONS 302(a)/602(a) OF THE CONGRESSIONAL BUDGET ACT—Continued

[By fiscal year, in millions of dollars]

	1997	1998	1999	2000	2001	1997–2001
Commerce Committee:						
Current level (enacted law):						
Budget authority	5,385	5,893	6,684	7,380	8,080	33,422
Outlays	5,385	5,895	6,701	7,398	8,098	33,477
Discretionary action:						
Budget authority	0	−1,401	−2,909	−4,713	−5,517	−14,540
Outlays	0	−1,401	−2,909	−4,713	−5,517	−14,540
Committee total:						
Budget authority	5,385	4,492	3,775	2,667	2,563	18,882
Outlays	5,385	4,494	3,792	2,685	2,581	18,937
New entitlement authority	370	−1,740	−7,090	−13,010	−20,240	−41,710
International Relations Committee:						
Current level (enacted law):						
Budget authority	11,436	10,321	9,393	9,953	9,877	50,980
Outlays	12,866	11,880	11,033	10,638	10,390	56,807
Government Reform and Oversight Committee:						
Current level (enacted law):						
Budget authority	54,997	57,320	59,793	62,342	65,094	299,546
Outlays	53,921	56,383	58,742	61,132	63,670	293,848
Discretionary action:						
Budget authority	−1,078	−889	−882	−876	−880	−4,605
Outlays	−1,078	−889	−882	−876	−880	−4,605
Committee total:						
Budget authority	53,919	56,431	58,911	61,466	64,214	294,941
Outlays	52,843	55,494	57,860	60,256	62,790	289,243
New entitlement authority	−289	−335	−339	−344	−361	−1,668
Oversight Committee:						
Current level (enacted law):						
Budget authority	95	97	98	99	97	486
Outlays	25	25	54	264	34	402
Public Lands and Resources Committee:						
Current level (enacted law):						
Budget authority	770	2,021	2,066	2,169	2,393	9,419
Outlays	745	1,931	2,014	2,113	2,322	9,125
Discretionary action:						
Budget authority	−91	−785	−37	−395	−93	−1,401
Outlays	−90	−798	−47	−440	−85	−1,460
Committee total:						
Budget authority	679	1,236	2,029	1,774	2,300	8,018
Outlays	655	1,133	1,967	1,673	2,237	7,665
New entitlement authority	−12	−9	−13	−11	−14	−59
Judiciary Committee:						
Current level (enacted law):						
Budget authority	2,429	4,297	4,389	4,441	4,506	20,062
Outlays	2,373	4,236	4,326	4,377	4,441	19,753
Discretionary action:						
Budget authority	0	0	−119	−119	−119	−357
Outlays	0	0	−119	−119	−119	−357
Committee total:						
Budget authority	2,429	4,297	4,270	4,322	4,387	19,705
Outlays	2,373	4,236	4,207	4,258	4,322	19,396
Transportation and Infrastructure Committee:						
Current level (enacted law):						
Budget authority	42,674	15,895	15,935	16,106	16,340	106,950
Outlays	17,706	17,464	16,922	16,670	16,675	85,437
Discretionary action:						
Budget authority	2,280	30,138	30,188	31,352	32,031	125,989
Outlays	0	19	−287	354	435	521
Committee total:						
Budget authority	44,954	46,033	46,123	47,458	48,371	232,939
Outlays	17,706	17,483	16,635	17,024	17,110	85,958
New entitlement authority	0	1	1	0	0	2
Science Committee:						
Current level (enacted law):						
Budget authority	41	42	44	45	46	218
Outlays	40	40	41	43	45	209
Discretionary action:						
Budget authority	0	−13	0	0	0	−13
Outlays	0	−13	0	0	0	−13
Committee total:.						
Budget authority	41	29	44	45	46	205
Outlays	40	27	41	43	45	196
Small Business Committee:						
Current level [enacted law]:						
Budget authority	3	2	2	2	0	9
Outlays	−296	−402	−232	−181	−153	−1,264
Veterans' Affairs Committee:						
Current level [enacted law]:						
Budget authority	1,437	1,365	1,280	1,205	1,141	6,428
Outlays	1,604	1,573	1,466	1,458	1,462	7,563
Discretionary action:						
Budget authority	−90	0	−265	−276	−288	−919
Outlays	−90	0	−265	−276	−288	−919
Committee total:						
Budget authority	1,347	1,365	1,015	929	853	5,509
Outlays	1,514	1,573	1,201	1,182	1,174	6,644
New entitlement authority	224	615	542	827	1,267	3,475
Ways and Means Committee:						
Current level [enacted law]:						
Budget authority	624,504	653,468	680,614	705,720	735,576	3,399,882
Outlays	621,742	650,771	677,460	703,202	733,171	3,386,346
Discretionary action:						
Budget authority	−8,973	−16,992	−27,095	−35,548	−45,603	−134,211
Outlays	−9,132	−16,935	−27,083	−35,793	−45,675	−134,618
Committee total:						
Budget authority	615,531	636,476	653,519	670,172	689,973	3,265,671
Outlays	612,610	633,836	650,377	667,409	687,496	3,251,728
New entitlement authority	−2,057	−2,250	−2,024	−2,273	−2,139	−10,743
Unassigned to Committee:						
Current level [enacted law]:						
Budget authority	−268,437	−275,709	−281,358	−292,611	−304,370	−1,422,485
Outlays	−265,903	−267,983	−273,579	−284,756	−296,969	−1,389,190
Discretionary action:						
Budget authority	0	0	0	0	0	0
Outlays	0	0	0	0	0	0
Committee total:						
Budget authority	0	0	0	0	0	0

ALLOCATION OF SPENDING RESPONSIBILITY TO HOUSE COMMITTEES PURSUANT TO SECTIONS 302(a)/602(a) OF THE CONGRESSIONAL BUDGET ACT—Continued

[By fiscal year, in millions of dollars]

	1997	1998	1999	2000	2001	1997–2001
Outlays	0	0	0	0	0	0
Total current level:						
Budget authority	830,982	831,899	880,185	928,099	972,200	4,443,365
Outlays	790,735	822,657	868,408	916,106	957,355	4,355,261
Total discretionary action:						
Budget authority	483,778	530,176	512,218	505,272	481,674	2,513,118
Outlays	520,276	532,010	515,463	500,387	475,069	2,543,205
Grand totals:						
Budget authority	1,314,760	1,362,075	1,392,403	1,433,371	1,453,874	6,956,483
Outlays	1,311,011	1,354,667	1,383,871	1,416,493	1,432,424	6,898,466
Total new entitlement authority	−1,916	−1,252	−5,657	−11,308	−17,907	−38,040

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT BUDGET YEAR TOTAL: 1997

[In millions of dollars]

Committee	Direct spending jurisdiction		Entitlements funded in annual appropriations	
	Budget authority	Outlays	Budget authority	Outlays
Appropriations	795,878	835,346	0	0
Appropriations (Violent Crime Trust Fund)	0	0	0	0
Agriculture, Nutrition, and Forestry	6,017	2,990	10,068	8,492
Armed Services	40,058	39,929	0	0
Banking, Housing, and Urban Affairs	5,881	−9,017	0	0
Commerce, Science, and Transportation	7,429	4,799	605	602
Energy and Natural Resources	143	222	52	54
Environment and Public Works	23,969	3,201	0	0
Finance	627,429	624,564	130,818	130,886
Foreign Relations	11,429	12,859	0	0
Governmental Affairs	54,093	53,017	0	0
Judiciary	2,429	2,373	239	238
Labor and Human Resources	5,534	5,009	1,412	1,412
Rules and Administration	95	25	0	0
Veterans' Affairs	1,309	1,456	19,688	19,731
Select Indian Affairs	392	362	0	0
Small Business	3	−296	0	0
Not allocated to committees	−267,328	−265,828	0	0
Total	1,314,7600	1,311,011	162,882	161,415

SENATE COMMITTEE BUDGET AUTHORITY AND OUTLAY ALLOCATIONS PURSUANT TO SECTION 302 OF THE CONGRESSIONAL BUDGET ACT 5-YEAR TOTAL: 1997–2001

[In millions of dollars]

Committee	Direct spending jurisdiction		Entitlements funded in annual appropriations	
	Budget authority	Outlays	Budget authority	Outlays
Agriculture, Nutrition, and Forestry	4,252,729	4,379,329	0	0
Armed Services	0	0	0	0
Banking, Housing, and Urban Affairs	17,361	2,652	81,443	48,025
Commerce, Science, and Transportation	223,276	222,626	0	0
Energy and Natural Resources	35,375	−18,628	0	0
Environment and Public Works	31,876	18,051	3,352	3,334
Finance	5,219	5,067	252	276
Foreign Relations	128,545	10,883	0	0
Governmental Affairs	3,282,774	3,288,828	776,267	776,549
Judiciary	50,945	56,772	0	0
Labor and Human Resources	294,435	288,737	0	0
Rules and Administration	19,705	19,396	1,257	1,254
Veterans' Affairs	30,605	28,251	7,499	7,499
Select Indian Affairs	486	402	0	0
Small Business	2,552	3,908	103,415	103,285
	1,965	1,832	0	0
	9	−1,264	0	0
	−1,421,376	−1,388,376	0	0
	6,956,483	6,898,466	973,485	940,222

From the Committee on the Budget, for consideration of the House concurrent resolution and the Senate amendment, and modifications committed to conference:

JOHN KASICH,
DAVE HOBSON,
BOB WALKER,
JIM KOLBE,
CHRISTOPHER SHAYS,
WALLY HERGER,
Managers on the Part of the House.

PETE V. DOMENICI,
CHUCK GRASSLEY,
DON NICKLES,
PHIL GRAMM,
CHRISTOPHER S. BOND,
SLADE GORTON,
Managers on the Part of the Senate.

REPORT ON H.R. 3603, AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES APPROPRIATIONS, FISCAL YEAR 1997

Mr. SKEEN, from the Committee on Appropriations, submitted a privileged report (Rept. No. 104-613) on the bill (H.R. 3603) making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

The SPEAKER pro tempore. All points of order are reserved on the bill.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Member (at the request of Mr. MONTGOMERY) and to include extraneous matter:)

Mr. PALLONE.

ADJOURNMENT

Mr. MONTGOMERY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 5 minutes a.m.), under its previous order, the House adjourned until Monday, June 10, 1996, at 12:30 p.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

3441. A communication from the President of the United States, transmitting his request to make available appropriations totaling $111,016,158 in budget authority to the Federal Emergency Management Agency, and to designate the amounts made available as an emergency requirement pursuant to section 251(b)(2)(D)(i) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended—received in the U.S. House of Representatives June 6, 1996, pursuant to 31 U.S.C. 1107 (H.Doc. No. 104-229); to the Committee on Appropriations and ordered to be printed.

3442. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Veterans Education: Increased Allowances for the Educational Assistance Test Program (RIN: 2900-AH78) received June 6, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on National Security.

3443. A letter from the Acting Chairperson, Appraisal Subcommittee, transmitting the 1995 annual report of the Appraisal Subcommittee of the Federal Financial Institutions Examination Council, pursuant to Public Law 101-73, section 1103(a)(4) (103 Stat. 512); to the Committee on Banking and Financial Services.

3444. A letter from the Program Management Officer, National Marine Fisheries Service, transmitting the National Marine Fisheries Services's final rule—Whaling Provisions; Consolidation and Revision of Regulations Collection-of-Information Approval [Docket No. 960312069-6153-02; I.D. 022796F] received June 5, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

3445. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—Soldiers' and Sailors', Civil Relief (RIN: 2900-AH53) received June 5, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3446. A letter from the Director, Office of Regulations Management, Department of Veterans Affairs, transmitting the Department's final rule—United States Government Life Insurance (RIN: 2900-AH52) received June 5, 1996, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

3447. A letter from the Commissioner, Social Security Administration, transmitting a draft of proposed legislation to amend the Social Security Act and related laws to extend and amend demonstration project authority, make perfecting amendments related to tax withholding from Social Security benefits, make a technical clarification in the effective date of the denial of disability benefits to drug addicts and alcoholics, make administrative improvements respecting reports by prisons and certain other institutions, and address the treatment under the supplemental security income program of the disposal of resources for less than fair market value—received June 5, 1996; jointly, to the Committees on Ways and Means and Government Reform and Oversight.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KASICH: Committee of conference. Conference report on House Concurrent Resolution 178. Resolution establishing the congressional budget for the U.S. Government for fiscal year 1997 and setting forth appropriate budgetary levels for fiscal years 1998, 1999, 2000, 2001, and 2002 (Rept. 104-612). Ordered to be printed.

Mr. SKEEN: Committee on Appropriations. H.R. 3603. A bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes (Rept. 104-613). Referred to the Committee of the Whole House on the State of the Union.

TIME LIMITATION OF REFERRED BILL

Pursuant to clause 5 of rule X the following action was taken by the Speaker:

H.R. 3107. Referral to the Committee on Ways and Means extended for a period ending not later than June 11, 1996.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SKEEN:

H.R. 3603. A bill making appropriations for Agriculture, Rural Development, Food and Drug Administration, and Related Agencies programs for the fiscal year ending September 30, 1997, and for other purposes.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 3449: Mr. LUCAS and Mr. STENHOLM.

EXTENSIONS OF REMARKS

NONPHYSICIAN PROVIDERS PROVIDE INVALUABLE HEALTH CARE SERVICES

HON. FRANK PALLONE, JR.
OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Friday, June 7, 1996

Mr. PALLONE. Mr. Speaker, last week, the Subcommittee on Health and Environment held a hearing on issues surrounding managed care that I hope will lead to passage of much-needed legislation.

The focus of the hearing came down to choice. Patients want to be able to choose their own doctor. They want to be able to know of all of the treatments that are available to them. They want to be able to rely on the expertise of a medical specialist for a very specific medical problem. And as we continue to consider proposals to restructure Medicare, I would like to add that many seniors do not want to give up their choice of providers.

Real problems do exist and I believe that there are many legislative vehicles before Congress that will work to ensure quality care, while preserving choice. I am a cosponsor of the Family Health Care Act, H.R. 2400, which would set a ground floor, a minimum set of standards that all health plans would have to follow, including important point-of-service options and quality assurance mechanisms. This legislation will enable patients to see the providers of their choice, including nonphysician providers, such as opticians who provide quality care services to their patients.

I would like to include in the RECORD the statement of Paul Houghland, Jr., CAE, executive director, Opticians Association of America that was presented before the subcommittee on May 30, to further shed light on issues surrounding choice in a managed care setting.

STATEMENT BY PAUL HOUGHLAND, JR., CAE, EXECUTIVE DIRECTOR, OPTICIANS ASSOCIATION OF AMERICA

On behalf of the Opticians Association of America (OAA), which represents the interests of more than 35,000 dispensing opticians throughout the United States, I am pleased that the Subcommittee on Health and Environment has convened hearings on managed care issues. As the panel with jurisdiction over health insurance it is important that you hear the view of all participants in the health care delivery system including nonphysician providers.

OAA wishes that these hearings had provided more of an opportunity for nonphysician providers to participate. This group of health care providers is responsible for many of the most cost-effective approaches to health care delivery. Yet nonphysician providers have had many difficulties being included in many managed care organizations (MCOs). For this reason OAA and many other nonphysician providers have joined the Coalition for Health Care Choice and Accountability (CHCCA), a group dedicated to making MCOs more accountable for their actions and more patient and provider friendly.

OAA wishes to associate itself with the written statement provided to this subcommittee by CHCCA and also to associate itself with the testimony presented by the American Dental Association, a CHCCA member. The concerns raised by these organizations reflect legitimate issues that should be addressed legislatively by this subcommittee at its earliest convenience.

OAA believes that many of the managed care problems that nonphysician providers in general and opticians in particular face are corrected by HR 2400, the "Family Health Care Fairness Act" introduced by Representative Charlie Norwood of Georgia, a member of this subcommittee. OAA commends Representative Norwood for his leadership in calling attention to aspects of the managed care industry which need modification. We thank Representative Bill Brewster of Oklahoma for being the prime cosponsor of this measure. As a pharmacist, Representative Brewster understands well the struggles which far too many nonphysician providers have had with MCOs. OAA also appreciates the bipartisan support expressed for HR 2400 by its Republican and Democratic cosponsors.

The health subcommittee could prove its commitment to innovative solutions to health care problems by favorably reporting the Norwood bill to the full committee within the next 60 days. While aware of the shortness of the 1996 legislative calendar and the numerous demands upon your time, managed care issues are too important for Congress to abandon this year without significant action. Market-based solutions are not adequate to correct abuses within the managed care industry. HR 2400 provides fair and equitable solutions to real problems.

Many of managed care's shortcomings are discussed in the ADA and CHCCA testimony. After reading the stories collected by the CHCCA I am certain this panel will agree that action on HR 2400 will benefit the public interest. What more positive message could you take back to your constituents this fall than news that you approved a bill to make managed care more accessible, more accountable, more patient friendly?

OAA's national legislative agenda can be summarized very concisely: maximize competition within the health care market place and maximize freedom of choice for consumers. We support HR 2400 because it promotes equity for both consumers and providers. It contains nondiscrimination language which would assure that both those using the health care system and those providing the services are treated fairly.

A second major component of HR 2400 would require all MCOs to offer a point-of-service (POS) option to all subscribers. The health care marketplace has confirmed that a POS option is very popular and cost effective. Approximately three-quarters of the managed care plans offer this option. OAA and the CHCCA believe that all plans should include this option with a reasonable cost-sharing formula so that it is a viable alternative.

The POS issue was debated last fall in the Commerce Committee during the Medicare reform debate. Two members of the Health and Environment Subcommittee offered POS amendments supported by OAA and the CHCCA members. OAA appreciates the efforts of Representatives Greg Ganske of Iowa and Tom Coburn of Oklahoma. Unfortunately, both the Ganske and Coburn amendments were defeated because most members of the majority party refuse to support maximizing freedom of choice for consumers.

In a discussion of managed care issues last week on WPFW-FM in Washington, DC, Cindy Elkin, a Northern Virginia optician, described her experiences with managed care programs. She pointed out that many managed care vision programs referred eyewear customers for dispensing purposes to personnel who are often unlicensed, or uncertified, in short to persons who are not well trained or in a position to provide quality service. And this lesson is not lost on customers. Frequently, persons with managed vision care programs have found the quality to be so low compared to their previous service that customers frequently vote with their feet. However, by choosing to forego a benefit provided by their employer these persons wind up with a self-chosen POS option with a 100 percent copayment.

OAA and its members strongly support competition and free market solutions within the health care sector. Because OAA believes so strongly in the principle of competition within the marketplace it will unveil a managed vision care program for its members next month at its national convention in St. Louis. The OAA managed vision care program, unlike so many vision care programs currently available, will be open to all vision care providers willing to meet the terms and conditions of the program. We welcome participation by our friends in the ophthalmological and optometric community. We not only support the concept of provider equity, but we practice it in our own managed care initiatives.

While opticians are willing to compete within the free market for managed vision care business, we are well aware that a start up vision care plan offered by opticians will not level the playing field overnight. Our members still face numerous instances of discriminatory practices by managed vision care plans which simply exclude independent opticians. This deprives the consumer of freedom of choice and the opportunity to shop for eyewear at the provider of choice. It also frequently denies the consumer a least-cost alternative.

Congress can level the playing field for opticians and all nonphysician providers who wish to compete within the managed care system by passing HR 2400. OAA calls upon this panel to begin the legislative process by sending this bill to the full committee for consideration with a strong endorsement.